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Japan

'Source' Says Soviet Crisis Nearing Settlement

OW2108133891 Tokyo KYODO in English 1243 GMT 21 Aug 91

[Text] Tokyo, Aug. 21 KYODO—The crisis in the Soviet Union appears to be heading toward a settlement, a senior Foreign Ministry source said Wednesday.

The source made the comment after Russian Federation President Boris Yeltsin said that all members of the State Emergency Committee were heading for Vnukovo airport in an apparent attempt to flee from Moscow.

Yeltsin, speaking at an emergency session of the Russian Parliament, proposed blocking the group at the airport.

Kaifu Says Country Unable To Aid Soviet Union

OW2008150291 Tokyo KYODO in English 1214 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—Prime Minister Toshiki Kaifu said Tuesday that Japan is unable to continue its aid to the Soviet Union following the de facto coup d'etat in Moscow that ousted President Mikhail Gorbachev out of power.

"If you look at the current situation in the Soviet Union, it is not conducive to providing aid," Kaifu told a news conference. "If these conditions persist, we will have to stop assistance for the time being."

Japan has promised 100 million dollars in emergency loans for food, and 250 million dollars in trade insurance, as well as technical assistance.

Tokyo has consistently refused to make available large-scale financial assistance due to a dispute over four islands off Hokkaido occupied by the Soviet Union after World War II.

Kaifu called the ousting of Gorbachev a "virtual coup d'etat," but said the situation is still too fluid to decide whether to recognize the State Committee for the State of Emergency formed by military, KGB, and communist party hardliners that took over Monday.

Inquiries to the Soviet Union about Gorbachev's well-being had drawn a blank, said Kaifu, expressing grave concern for the safety of the ousted leader.

Kaifu stopped short of calling for Gorbachev's reinstatement.

Asked whether he would like Gorbachev to resume the Presidency of the Soviet Union, Kaifu replied, "There are democratic steps. But I support Gorbachev's policies of perestroyka (reforms)."

Kaifu expressed doubts that the Soviet Union would continue to pursue Gorbachev's policies of economic reforms and "new thinking" diplomacy.

"I deeply regret that there appears to be serious difficulties in continuing these policies under the current situation," Kaifu said in a prepared statement.

"The Japanese Government cannot remain silent at a time when there are moves that are incompatible with the principles of democratic process," he said.

He called on the Soviet Union to honor its international commitments, and to guarantee protection of human rights.

Leaders of industrialized nations agree that the era of East-West confrontation must not return, he said, recalling Japan's strong wish to see the principles of open diplomacy applied to the Asia- Pacific region, as well as Europe.

In his first news conference since he was alerted to the coup 30 hours ago, Kaifu said he planned to continue consulting with leaders of other major industrialized countries on the Soviet crisis.

He has talked by phone with U.S. President George Bush, British Prime Minister John Major, and Canadian Prime Minister Brian Mulroney.

Kaifu denied media suggestions that he had waited to see the response of other countries before announcing Japan's position.

The United States has already announced plans to freeze aid programs.

On the territorial dispute, Kaifu repeated his wish to see the four islands north of Hokkaido returned so that Japan and the Soviet Union may conclude a peace treaty. He declined to comment on the prospects following the latest developments in the Soviet Union.

Discusses Political Changes in USSR

OW2008150491 Tokyo NHK General Television Network in Japanese 1210 GMT 20 Aug 91

[Text] In connection with the political changes in the Soviet Union, Prime Minister Kaifu held a news conference at his official residence a little before 8 PM [1100 GMT] this evening. At the news conference, the prime minister said that the change in power in the Soviet Union was highly likely to have occurred in violation of the Constitution and indicated that, in fact, power was changed in the coup. The prime minister also indicated that the Japanese Government has no choice but to halt economic aid to the Soviet Union for the time being.

[Begin recording] [Kaifu] The government has supported the right direction of perestroyka, promoted by President Gorbachev, and has high regard for the president for adopting new-thinking diplomacy, which replaced confrontation with cooperation in Europe and many other areas; however, the situation in the Soviet Union arouses grave concern about the continuity of this basic line. [Video shows Kaifu sitting at table in the prime minister's official residence]

In particular, I would like to state, with deep regret, the following points:

Over the last 24 hours, there has been a series of events in the Soviet Union running counter to the norm, based on various democratic principles, and the Japanese Government cannot overlook these moves. I believe that the political situation, including the dismissal of President Gorbachev in the Soviet Union, is highly likely to be in violation of constitutional order, and I think this is an unusual situation. The Japanese Government expresses its grave concern about the lack of respect for human rights, particularly the safety of President Gorbachev's life.

Regarding aid to the Soviet Union that Japan has thus far provided, the government needs to make a cautious review while watching future developments in that country. The government will pay close attention to future developments in the Soviet Union.

[Unidentified reporter] Mr. Prime Minister, regarding aid to the Soviet Union, you just said that the government needs to review it cautiously. Specifically, what does the government plan to review?

[Kaifu] The current situation in the Soviet Union does not allow the two countries to promote exchanges in all areas, and Japan to provide assistance to the Soviet Union. If this situation continues, the government has no choice but to halt assistance to the Soviet Union for the time being.

[Unidentified reporter] Mr. Prime Minister, do you see the present Soviet regime as legal? Will the Japanese Government recognize it?

[Kaifu] The present situation in the Soviet Union is highly likely to be taking place in violation of the Constitution and this is an unusual situation. I already indicated this. The situation there is fluid, and we need to watch developments a little more. Regarding recognition of the regime, I am not in a position to say anything about it here. [end recording]

Speaks With British Prime Minister

OW2008232491 Tokyo KYODO in English 1340 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—Prime Minister Toshiki Kaifu on Tuesday urged British Prime Minister John Major to agree to consultations on the Soviet situation among the seven major Western industrialized countries, Foreign Ministry officials said.

The officials said Kaifu and Major spoke in a 15-minute telephone conversation, which was initiated by the British leader.

Kaifu was quoted as saying that Japan, as a nonmember country of such key multilateral forums as the European Community (EC) and the North Atlantic Treaty Organization (NATO), would not be able to join in their consultations on the Soviet situation.

Therefore, he said, Japan places importance on consultations within the framework of the so-called Group of Seven (G-7) nations—Japan, Britain, France, Germany, Italy, Canada, and the United States.

Kaifu said talks on the Soviet situation should be considered as a part of the process of following up on last July's summit meeting in London of the leaders of the seven countries, where assistance to the Soviet Union was the top agenda item.

The officials did not say whether Major accepted the idea floated by Japan for a meeting of representatives of the G-7 countries.

Major told Kaifu that Britain is cognizant of Japan's difficult position of being neither a member of NATO nor the EC.

He decided to telephone Kaifu precisely because Britain places particular importance on policy coordination with Japan, they said.

The officials said Major pledged to engage in close consultations with Japan concerning the course of events in the Soviet Union over the coming days and on the two countries' respective responses.

Foreign Ministry spokesman Taizo Watanabe told reporters earlier in the day that Japan has launched an "initiative," proposing that G-7 representatives meet "to exchange information about the current (Soviet) situation ... and what measures should be taken."

Watanabe said the countries contacted appeared to have been "thinking along the same lines." But there was agreement all around that it could be "difficult" to arrange such a meeting, he said.

The spokesman would not deny Japan proposes a summit-level meeting, though he acknowledged it would be unlikely.

"Nothing has been decided about who is going to meet whom, at what level, where, and when," he said.

But Watanabe said that aside from the idea of a meeting, "we have already decided to exchange information within the framework of the G-7."

Further on Talks With Major

OW2008180891 Tokyo KYODO in English 1702 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—British Prime Minister John Major has responded positively to Japan's call for urgent consultations among the Group of Seven (G-7) industrialized countries on the crisis in the Soviet Union, Foreign Ministry sources said Tuesday. Major"s "positive response" came in a 15-minute telephone conversation with Prime Minister Toshiki Kaifu earlier in the day, the sources said.

Kaifu told Major that Japan wants a meeting among the G-7 to discuss the Soviet crisis since it is not a member of the European Community (EC) or the North Atlantic Treaty Organization (NATO), ministry officials said.

The G-7 includes Japan, Britain, France, Germany, Italy, Canada, and the United States.

Kaifu said the talks should be a follow-up to last July's G-7 summit meeting in London, where assistance to the Soviet Union topped the agenda.

Major reportedly expressed his understanding for Japan's predicament, the officials said. Major said he would consult closely with Tokyo as current chairman of the G-7.

Foreign Ministry spokesman Taizo Watanabe told reporters earlier in the day that Japan wanted a G-7 meeting "to exchange information about the current (Soviet) situation ...and what measures should be taken." "We have taken the initiative to promote discussions...and we found it to be productive thus far," Watanabe said.

Foreign Ministry sources said Kaifu also brought up the idea in telephone conversations Monday with U.S. President George Bush and with Canadian Prime Minister Brian Mulroney on Tuesday. Kaifu intends to telephone German Chancellor Helmut Kohl on Wednesday, they said.

Watanabe said Japan's Western partners appeared to have already been "thinking along the same lines" regarding the need for G-7 collaboration.

But Watanabe hinted that a G-7 meeting on the Soviet crisis might not materialize since EC foreign ministers met on Tuesday, ahead of an EC summit meeting set for Friday.

U.S. Secretary of State James Baker has also left for Europe to attend a NATO meeting scheduled to be held Friday.

Watanabe added that while Japan is not saying it is "absolutely necessary to get together...we can coordinate through some means of communication."

Foreign Ministry sources said that the so-called G-7 "sherpas," or working-level officials who prepare the annual summit meetings, could hold talks on the Soviet situation.

The sources also suggested that Japan might send representatives if Baker decides to meet with the past, present and future chairmen of the European Community (EC).

Since Foreign Minister Taro Nakayama is tied down with Diet business, they suggested Vice Foreign Minister Hisashi Owada or Deputy Foreign Minister Kunihiko Saito might join the prospective meeting between Baker and his EC counterparts.

Kaifu Condemns Soviet Violence

OW2108022891 Tokyo KYODO in English 0213 GMT 21 Aug 91

[Text] Tokyo, Aug. 21 KYODO—Prime Minister Toshiki Kaifu condemned the military action in Moscow Wednesday and called for self-restraint.

"Tensions appear to be increasing every minute. I strongly condemn (the violence) and implore the use of self-restraint," Kaifu told reporters following reports that at least five civilians had been killed by the Soviet Armed Forces.

He reiterated his call for respect of human rights by the State Committee for the State of Emergency [SCSE] which took over after Soviet President Mikhail Gorbachev's ouster on Monday.

Foreign Minister Taro Nakayama denounced the use of force to suppress Soviet citizens.

"The situation is extremely worrisome," he said after meeting with top ministry officials to evaluate the latest developments.

A top Foreign Ministry official said the government requires more precise information before deciding whether to impose further sanctions on the Soviet Union.

Tuesday, Kaifu said Japan would suspend emergency food aid and technical assistance pending resolution of the political upheaval in the Soviet Union.

Throws Support to Yeltsin in Coup

OW2108044291 Tokyo KYODO in English 0327 GMT 21 Aug 91

[Text] Tokyo, Aug. 21 KYODO—Prime Minister Toshiki Kaifu condemned the military action in Moscow Wednesday and threw his support behind Russian President Boris Yeltsin.

"I strongly condemn (the violence) and implore the use of self- restraint," Kaifu told reporters following reports that at least five civilians had been killed by the Soviet armed forces.

Kaifu told a parliamentary budget committee that he supports the legitimately elected president of the Russian Republic.

"I support Russian President Yeltsin," he said.

He pledged to use diplomatic channels to prevent bloodshed and human rights abuses, and press for the continuation of the reform policies introduced by ousted Soviet President Mikhail Gorbachev.

Gorbachev was replaced by an eight-member emergency committee Monday in what Kaifu has described as a "de facto coup d'etat."

Chief Cabinet Secretary Misoji Sakamoto, in his first prepared statement since Gorbachev was replaced, said the use of force to suppress citizens is "extremely regrettable," and called for an immediate end to military action.

Japan will continue to consult closely with leaders of major industrialized nations on how to respond to the worsening situation, he said.

Foreign Minister Taro Nakayama called the latest developments "extremely worrisome," after meeting with top ministry officials to evaluate the latest developments.

He spelled out to the House of Representatives budget committee three conditions for recognizing a new Soviet government.

They are change of power that is consistent with the Constitution, effective control over the territory, and ability to enforce international commitments.

A top Foreign Ministry official said that the government requires more precise information on events in the Soviet Union before deciding whether to impose further sanctions.

Tuesday, Kaifu said Japan would suspend emergency food aid and technical assistance pending resolution of the upheaval.

Kaifu, who already has spoken with U.S. President George Bush and British Prime Minister John Major on Soviet crisis, plans to consult with German Chancellor Helmut Kohl. Nakayama said he intends to confer with Dutch counterpart Hans Van Den Broek later Wednesday.

Japan also intends to use diplomatic channels to ascertain China's views on the Soviet crisis, Nakayama said.

Before the outbreak of violence, China said it regards Gorbachev's ouster as an internal affair of the Soviet Union.

Nagao Hyodo, director general of the Foreign Ministry's European and Oceanic Affairs Bureau, summoned Soviet Embassy Minister-counsellor Yuriy Kuznetov to the ministry Wednesday afternoon.

Hyodo handed Kuznetov the statement of Chief Cabinet Secretary Misoji Sakamoto, which calls for an immediate end to military action and self-restraint, ministry officials said.

Kuznetov was quoted as saying he will immediately convey Japan's concern to the Kremlin, the officials said.

Hyodo also requested Kuznetov to ask Moscow to ensure the safety of Japanese residents in the Soviet Union, they said.

Plans To Telephone Yeltsin

OW2108124091 Tokyo KYODO in English 1149 GMT 21 Aug 91

[Text] Tokyo, Aug. 21 KYODO—Prime Minister Toshiki Kaifu will telephone Russian Federation President Boris Yeltsin to convey Japan's support for his efforts to resist the hard-line communists who deposed Soviet President Mikhail Gorbachev on Monday, Foreign Ministry sources said Wednesday.

The sources said Kaifu wants to give Yeltsin "more support" and that the prime minister might call him on Wednesday.

But as the anticoup leader is engaged in the meeting of the Supreme Soviet of the Russian Federation, the call might be delayed until Thursday, they said.

"Mr. Yeltsin is insisting that perestroyka and democratization should be pursued and we are supporting such a position," said one source.

Earlier in the day, Kaifu expressed support for Yeltsin as the legitimately elected president of the Russian Federation. Kaifu was speaking before a parliamentary Budget Comittee meeting.

Yeltsin received calls of support on Tuesday from U.S. President George Bush and British Prime Minister John Major.

Both leaders expressed continued support for his demand that Gorbachev be reinstated. Foreign Ministry officials would not say if Kaifu would follow suit.

Yeltsin told ABC television network that that calls from Bush and Major had been instrumental in heading off an attack against his stronghold in the Russian parliament building.

Tens of thousands of Muscovites have erected makeshift barricades around the building where Yeltsin, former Foreign Minister eduard Shevardnadze, and other reformers were leading the resistance.

Yeltsin said in an earlier radio broadcast that "the democratic changes gained by our people in these past five years have been...destroyed in one night."

He accused the coup leaders of "betraying their people, their motherland and the constitution."

Meanwhile, Russian Foreign Minister Andrei Kozyrev has reportedly arrived in Paris to seek Western backing for the Russian Federation and to form a government-in-exile should Yeltsin's protest movement fail.

Further on Support for Yeltsin

OW2108151391 Tokyo KYODO in English 1411 GMT 21 Aug 91

[Text] Tokyo, Aug. 21 KYODO—Japan pledged on Wednesday its support for Russian Federation President

Boris Yeltsin and his efforts to resist the hard-line communists who deposed Soviet President Mikhail Gorbachev on Monday.

Prime Minister Toshiki Kaifu conferred by phone with German Chancellor Helmet Kohl and Italian Prime Minister Giulio Andreotti, seeking support for Japan's urgent call for a high-level meeting of the Group of Seven major economic powers to deal with the crisis.

And in the boardrooms of some of Japan's biggest companies, executives met to order the halt to planned investments worth billions of dollars, a day after Japan joined other aid countries in cutting off official assistance to the Soviet Union.

Kaifu, speaking during the morning before a Diet committee, expressed support for Yeltsin as the legitimately elected president of the Russian Federation, and condemned the use of force which led to the death of three to five Yeltsin supporters Tuesday.

Foreign Ministry officials said Kaifu would telephone, either Wednesday night or Thursday, to declare Japan's support to Yeltsin, who has received similar calls from U.S. President George Bush and British Prime Minister John Major.

Both Bush and Major expressed strong support for Yeltsin's demand that Gorbachev be reinstated. Foreign Ministry officials would not say if Kaifu would follow suit.

In explaining the nature of Japan's support for Yeltsin, one ministry official summed it up by saying, "Mr. Yeltsin is insisting that perestroyka and democratization should be pursued and we are supporting such a position."

In remarks before the Diet committee, Kaifu condemned the killing of several Yeltsin supporters Tuesday night, pledged to use diplomatic channels to prevent further bloodshed, and to press for the continuation of the reform policies introduced by Gorbachev.

Later Kaifu spoke by phone with German Chancellor Kohl, and the two leaders agreed on the importance of demonstrating international solidarity in responding to the Soviet coup, according to Japanese officials who briefed reporters afterwards.

Kohl stressed the need to impress on the new Soviet leadership that aid is "impossible" under the current circumstances, called for pressure to ensure the safety of Gorbachev, and urged a close watch be kept over signs of a possible split in the Soviet military.

Earlier Wednesday, it was reported that three of the eight members of the State Emergency Committee that deposed Gorbachev had resigned or been forced out—Prime Minister Valentin Pavlov, Defense Minister Dmitriy Yazov, and KGB Chief Vladimir Kryuchkov.

Kaifu also spoke with Italian Prime Minister Giulio Andreotti, with the two reportedly agreeing on the importance of offering encouragement to East European nations whose fragile economies are still tied in many ways to the Soviet economy.

Andreotti told Kaifu that Italy plans to follow, in responding to the Soviet crisis, the policy decisions adopted by the European Community (EC).

To forestall that very process, the Foreign Ministry said Tuesday it was dispatching a high-level emissary to Europe and the United States to win support for Japan's call for urgent consultations within the framework of the Group of Seven (G-7) major industrialized nations.

Japan wants G-7 talks as it is excluded from Europe-centered forums, being neither a member of the European Community nor the North Atlantic Treaty Organization (NATO).

Deputy Foreign Minister Koji Watanabe will soon leave for London, Bonn, and the European Community headquarters in Brussels, before swinging through Washington on the way back to Tokyo.

A Foreign Ministry official said Japan attaches particular importance to Watanabe's visit to London, as Britain currently chairs the G-7, which groups Japan, Britain, France, Germany, Italy, Canada, and the United States.

At another news conference in Tokyo on Wednesday, Chief Cabinet Secretary Misoji Sakamoto, elaborating on the government's decision Tuesday to freeze aid to the Soviet Union, said this included the suspension of 100 million dollars worth of loans from the export-import Bank of Japan to be used for emergency food purchases.

It also includes a freeze on personnel exchanges in the fields of nuclear safety, energy, and the environment.

And it includes an exchange involving the transformation of military plants to civilian production, agreed to at July's London summit, and the exchange of about 300 experts to help promote perestroyka economic reforms.

"Under the current confusion," Sakamoto said, "it is impractical to continue assistance for perestroyka reforms."

He declined to say whether the move was also intended to snub the eight-member emergency committee that seized power Monday, saying the aid freeze is in response "to a problem that precedes policy criticism."

A number of major Japanese companies followed the government's lead by announcing Wednesday the indefinite suspension of plans to invest in the Soviet Union.

C. Itoh and Co., a major trading house, said it was halting shipments of chemicals and steel pipes to the Soviet Far East.

Sumitomo Metal Industries Ltd. said it had decided to postpone the launching for a joint venture with the Soviet Ministry of the Oil and Gas Industry (Minnefte[illegible]n) to produce seamless pipe for the oil drilling industry.

East Japan Railway Co. said it had decided to suspend a cooperation project under which it pledged to send 29 used coaches free of charge for use on the Island of Sakhalin.

Kaifu, Kohl on Solidarity in Soviet 'Crisis'

OW2108114491 Tokyo KYODO in English 1111 GMT 21 Aug 91

[Text] Tokyo, Aug. 21 KYODO—Japanese Prime Minister Toshiki Kaifu and German Chancellor Helmut Kohl agreed Wednesday on the importance of demonstrating international solidarity in the face of the Soviet coup d'etat, Japanese officials said.

Continuing his round of telephone diplomacy on the Soviet crisis, Kaifu explained Japan's decision to temporarily freeze assistance to the Soviet Union, and its plea military force not be used against Soviet citizens, Foreign Ministry officials said.

Kohl told Kaifu it is important to alert the new Soviet leadership that western aid is "impossible" under current circumstances.

The chancellor also called for governments to pressure the new Soviet leaders to guarantee the safety of ousted Soviet President Mikhail Gorbachev.

He said a close watch should be maintained over a possible split in the Soviet military.

Two of the eight members of the State Committee for the State of Emergency that replaced Gorbachev on Monday reportedly resigned Wednesday. The reports were denied by a Russian official.

Kaifu and Kohl, who spoke for 10 minutes, agreed to maintain close contact by telephone as long as the crisis persists.

In a later phone conversation, Kaifu and Italian Prime Minister Giulio Andreotti agreed on the importance of offering encouragement to East European nations, officials said.

Kaifu told Andreotti he has already sent messages to leaders of Czechoslovakia, Poland, and Hungary expressing unswerving support for their economic reforms.

Asked about China's position on the coup, Kaifu explained it has adopted a "slightly different" stance from the major industrialized countries.

China, which two years ago strongly protested foreign interference following its crackdown on prodemocracy protestors in Tiananmen Square, has said it regards the overthrow of Gorbachev as strictly an internal affair.

Andreotti said Italy plans to follow policy decisions on the Soviet crisis adopted by the European Community (EC).

Since Monday, Kaifu has spoken with leaders of all members of the Group of Seven (G-7) industrialized nations, except for France.

The G-7 comprises the United States, Japan, Germany, France, Britain, Italy, and Canada.

Nakayama Attempts To Contact Soviet Counterpart

OW2108134891 Tokyo KYODO in English 1314 GMT 21 Aug 91

[Text] Tokyo, Aug. 21 KYODO—Foreign Minister Taro Nakayama told Dutch Foreign Minister Hans Van Den Broek on Wednesday that Japan is attempting to make telephone contact with Soviet Foreign Minister Aleksandr Bessmertnykh.

Nakayama made the remarks in a telephone conversation with Broek, Foreign Ministry officials said.

A top-level source at the ministry said the Soviet side has so far blocked Nakayama's attempts, saying that Bessmertnykh "is on holiday."

But the officials quoted Soviet Embassy Minister-Counsellor Yuriy Kouznetsov in Tokyo as saying in a meeting earlier in the day with Nagao Hyodo, director general of the ministry's European and Oceanic Affairs Bureau, that Bessmertnykh had returned to his post in Moscow and was currently engaged in work.

Bessmertnykh has not been seen in public since President Mikhail Gorbachev was deposed by communist hardliners on Monday.

The officials said Van Den Broek agreed with Nakayama that it is important to contact Bessmertnykh, as well as to ensure that Gorbachev, who has also not been seen in public, is safe.

Meanwhile, Van Den Broek proposed that the European Community (EC) and Japan hold ministerial talks in New York during the United Nations General Assembly Session scheduled to open next month, the officials said.

They said Van Den Broek, whose country now holds the EC's revolving presidency, made the proposal in the telephone conversation with Nakayama.

The proposed talks would involve the foreign ministers of Japan and the so-called EC troika—the Netherlands, Luxembourg, and Portugal. The three European countries are the current, past and future EC presidents.

The officials said Nakayama replied that while the diplomatic schedule in New York will be a tight one, Japan will discuss the possibility of holding the Japan-EC troika talks through diplomatic channels.

Mitsui Suspends Trade Negotiations With USSR

OW2008233291 Tokyo KYODO in English 2312 GMT 20 Aug 91

[Text] Tokyo, Aug. 21 KYODO—Mitsui and Co. decided to suspend trade negotiations with the Soviets in the wake of the hardline coup in the Kremlin, MAINICHI SHIMBUN reported Wednesday.

MAINICHI said on the front page that the trading house made the decision since Prime Minister Toshiki Kaifu's cabinet plans to stop insuring against trade losses with the Soviet Union.

A Mitsui official was quoted as saying, "ongoing turmoil (in the Soviet Union) is forcing us to place no confidence in Soviet letters of credit without guarantee by the Japanese Government."

The newspaper said the other major trading firms, including Nissho Iwai Corp., will follow Mitsui's lead.

Japan's exports to the Soviet Union declined 20.3 percent in the first half of this year to 1.06 billion dollars from the same period a year ago because of deferred payments.

Emissary To Promote G-7 Talks on Soviet Crisis

OW2108115391 Tokyo KYODO in English 1027 GMT 21 Aug 91

[Text] Tokyo, Aug. 21 KYODO—Japan is dispatching a high-level emissary to Europe and the United States to call for urgent consultations among seven major economic powers on the crisis in the Soviet Union, a top Foreign Ministry source said Wednesday.

Deputy Foreign Minister Koji Watanabe will depart during the day for a series of visits to London, Bonn, and the European Community (EC) headquarters in Brussels, the source said.

Watanabe is likely to swing through Washington for additional consultations on his way back to Tokyo, he said.

The source said Japan places particular importance on Watanabe's visit to London, as Britain currently chairs the Group of Seven (G-7)—Japan, Britain, France, Germany, Italy, the United States, and Canada.

Britain hosted July's summit meeting of leaders of the seven nations, at which aid to the Soviet Union was the top agenda item and Soviet President Mikhail Gorbachev made an appearance.

The source said Watanabe would be discussing with his British counterparts "how the G-7 countries should cooperate."

"It's extremely important that there be a dialogue and policy coordination between the seven summit countries," he said.

The source said one mode of G-7 cooperation would be the holding of an emergency summit meeting, "which would likely be difficult to arrange."

Another means, he said, would be a gathering of senior officials of the seven countries.

Prime Minister Toshiki Kaifu told British Prime Minister John Major in a telephone conversation Tuesday that Japan wants G-7 talks as it is excluded from Europe-centered forums, being neither a member of the European Community (EC) nor the North Atlantic Treaty Organization (NATO).

Ministry sources said major was sympathetic to Japan's predicament and pledged to positively consider how to promote consultations within the G-7 framework.

The sources said Kaifu also brought up the idea in telephone talks Monday with U.S. President George Bush and Tuesday with Canadian Prime Minister Brian Mulroney.

Kaifu also has plans to call German Chancellor Helmut Kohl and Italian Prime Minister Giulio Andreotti later Wednesday, they said.

EC foreign ministers held a meeting Tuesday about the Soviet crisis, while an EC Summit meeting is on the agenda for Friday.

U.S. Secretary of State James Baker, meanwhile, has left for Europe for a NATO meeting scheduled to be held Friday.

The sources suggested Tuesday if Baker meets with the so-called EC troika, the foreign ministers of the past, present, and future EC chair countries, a high-level Japanese representative could possibly join in the talks.

But Foreign Minister Taro Nakayama would probably be unable to escape from Diet business to attend such a meeting, they said.

Coup Disrupts New Business With Soviets

OW2108135891 Tokyo KYODO in English 1218 GMT 21 Aug 91

[Text] Tokyo, Aug. 21 KYODO—The darkening impact of the coup in the Kremlin has begun to creep into Japan-Soviet business relations, prompting major Japanese trading houses from entering new business deals with the Soviets, industry analysts said Wednesday.

Trading houses, which serve as intermediaries, are crucial to Japan-Soviet business relations.

The possibility the Soviet Union will not be able to meet its payments has induced some firms to suspend export shipments to the country.

Some have begun considering asking Western banks to reguarantee Soviet Letters of Credit (L/CS).

Business opportunities appeared to flourish in the wake of the London summit in July and the expected signing of Soviet President Mikhail Gorbachev's New Union Treaty, which was originally to be inked Tuesday.

Traders were eagerly awaiting the signing of the new Union Treaty since it would clarify the authority of the federation and the republics.

A spokesman for Mitsubishi Corp. said he had no choice but to temporarily suspend new business deals with the Soviets.

C. Itoh and Co. was the first Japanese trading house to put transactions with the Soviets on hold by halting shipments of chemicals and steel pipes to the Soviet Far East.

Traders Nisso Iwai Corp. and Marubeni Corp. said they wanted to monitor the situation before shipping any more exports to the Soviets.

Countries Expected To Discuss Soviet Aid

OW2108141491 Tokyo KYODO in English 1302 GMT 21 Aug 91

[Text] Tokyo, Aug. 21 KYODO—Japan, the United States, the European Community (EC), and Canada are likely to discuss the situation in the Soviet Union at their three-day meeting in Paris slated to begin on September 12.

A senior government official said Wednesday resumption of the stalled Uruguay Round of multilateral trade talks and overseas economic assistance are expected to be the main topics at the annual quadrilateral meeting, which groups trade representatives of the four regions.

But the representatives are also likely to discuss assistance to the Soviet Union and Eastern Europe, which was agreed upon at the London summit, since this will be the first ministerial meeting among the four regions following the Soviet coup, the official from the Ministry of International Trade and Industry (MITI) said.

"Even if we suspend aid to the Soviet Union, we'll probably need to take additional steps for the countries of Eastern Europe, which are on their way toward democratization," he said.

SDP Freezes Exchanges With Soviet Communists

OW2108122591 Tokyo KYODO in English 1201 GMT 21 Aug 91

[Text] Tokyo, Wed. 21 KYODO—Japan's main opposition Social Democratic Party (SDP) has frozen all exchanges with the Soviet Communist Party to protest against the coup that overthrew President Mikhail Gorbachev, SDP officials said Wednesday.

SDP Vice Chairman Shigeru Ito conveyed the party decision in a document he gave to Soviet Charge d'Affaires Yuriy Kuznetsov in a meeting at the Soviet Embassy, the officials said. Ambassador Ludvig Chizhov is on holiday in the Soviet Union.

The Social Democratic Party denounced the coup in the document for "not being the transfer of power based on constitutionally justifiable proceedings."

In reply, Kuznetsov asked Ito to carefully monitor developments of a Supreme Soviet meeting, scheduled to be held on August 26, while pledging to relay the SDP's decision to Moscow.

The party demanded that the State Committee for the State of Emergency formed by eight senior Soviet officials should stop using force, urging them to rescind the August 19 declaration that placed Moscow under military rule.

The ruling emergency committee should reveal the whereabouts of Gorbachev, who is rumored to be under house arrest in his villa on the Crimean Peninsula, and he should be reinstated as Soviet leader, the document says.

The party's protests were conveyed several hours after five people were reportedly killed in Moscow when a column of Soviet tanks tried to break through the barricades erected around the Russian Parliament in which Russian President Boris Yeltsin and other republican leaders are holed up.

The Social Democrats also called on the Soviet Communist Party to issue its official views on the coup.

If the Soviet Communist Party refuses to withdraw its support for the coup leaders led by acting President Gennadiy Yanayev, the SDP will "have no other choice but halt all exchange activities with the Soviet Communist Party," the document says.

It also pledges support for Yeltsin and "all the opponents of the activities of the committee for the state of emergency."

The Japanese Government should suspend any economic cooperatioin with the Soviet Union while under the rule of the emergency committee, it said.

Ministry Advises Against Travel to USSR

OW2008130191 Tokyo KYODO in English 1136 GMT 20 Aug 91

[Text] Tokyo, Aug. 20 KYODO—The Japanese Foreign Ministry on Tuesday issued an advisory calling for the people to curtail travel to the Soviet Union for the time being in the wake of the sudden political shift in Moscow.

The advisory said unexpected incidents could occur anywhere in the Soviet Union, noting that a state of emergency is in effect in the country after a group of hardliners ousted Soviet President Mikhail Gorbachev.

Referring to mounting tension among Soviet citizens, it also stressed that political or social unrest is likely to continue in the nation.

"We need to carefully watch how the situation unfolds," it said, while recommending that Japanese reconsider any planned trips to the Soviet Union.

Ministry officials said they also have asked for the cooperation both of Japan's Transport Ministry and travel agents to urge Japanese tourists currently in the Soviet Union to leave as soon as possible.

There are about 1,000 Japanese travelers and some 950 Japanese nationals in the country, the officials said.

Transport Ministry officials said Tuesday they have instructed travel agents to fully inform Japanese tourists of the advisory and see to their safety.

According to the ministry, 34 travel agents have arranged Soviet tours for some 1,700 Japanese people between August 20 and 31.

North Korea

21 Aug North-South Contact at Panmunjom Noted

SK2108104491 Pyongyang KCNA in English 1032 GMT 21 Aug 91

[Text] Panmunjom August 21 (KCNA)—A contact between the chief liaison officials of both sides for the North-South high-level talks was held at the South side's portion of Panmunjom at 10 A.M. today.

At the contact our side recalled once again that cholera is rapidly spreading all over South Korea including Seoul, the public health authorities of the South side announced an "emergency quarantine system" throughout South Korea, the travel of people is controlled and the United States and other countries took steps for stopping travel to South Korea.

In consideration of the visit to our area of many persons of the South side from Seoul where cholera has broken out, our side repeatedly called for moving the venue of the fourth round of the North-South high-level talks to Panmunjom so as to lay no burden on both sides and holding it on the 27th of August without fail as scheduled.

The South side, however, opposed our side's realistic and fair proposal, while recognizing the fact that cholera is spreading all over South Korea, endangering the lives of people.

The chief liaison officials of the sides agreed to meet again at the Tongil House in our side's portion on August 22 to discuss the matter.

South Cholera Spread Blamed on 'Authorities'

SK2108110291 Pyongyang KCNA in English 1010 GMT 21 Aug 91

[Text] Pyongyang August 21 (KCNA)—Cholera now prevalent in many countries of the world is rapidly spreading throughout South Korea, a Seoul-based radio reported.

According to data released by the "Ministry of Health and Social Affairs," seventy-nine and eight cholera cases had been reported respectively from Sochon and Poyong Counties, south Chungchong Province as of August 14, and this communicable disease is uncontrollably spreading to Seoul, Pusan, Kunsan, Taejon and other areas.

Earlier, 16 cholera cases were already reported from Okgu, north Cholla Province. The spread of this disease is attributable to the health authorities' failure to take any prevention measures.

The hospitals in Seoul, Pusan and other cities are now busy taking phone calls from inhabitants who are complaining about symptoms of cholera. The quarantine office of Kimpo airport reportedly entered a "round-the-clock emergency quarantine system".

CPRF Issues 'Open Questionnaire' to No Tae-u

SK2108062891 Pyongyang KCNA in English 0457 GMT 21 Aug 91

[Text] Pyongyang August 21 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in an open questionnaire issued on August 20 denounces the deceptive and hypocritic acts of the No Tae-u ruling group which pretends to pursue independence, democracy and reunification while enforcing a "security-oriented rule."

In the open questionnaire, the organisation for reunification in the northern half of Korea raises ten questions to No Tae-u and urges him to answer them before the entire fellow countrymen, adding that his attitude toward the questions would be watched.

The questionnaire asks No Tae-u how he could talk about "democratic politics" while staging a one-party show in the "National Assembly". While talking quite frequently about "democratic politics," he commits political gangsterism with a ruling party solo in the "National Assembly" which is called "seat of democratic politics."

It recalls that at the extraordinary session of the "National Assembly" last year, the "lawmakers from the Democratic Liberal Party" railroaded through it 26 "bills" including a "bill on broadcasting" in a minute in the absence of the opposition lawmakers.

The questionnaire asks No how he could have the cheek to speak about "democratic development" while keeping South Korea permanently under emergency martial law.

In South Korea, police and the "security planning board," the regular armed forces such as the "secret affairs command" and the "garrison command" and non-regular forces such as "reserve forces" are mobilized in suppression of the people. Under the pretext of "war against crimes," the puppet army, "combat police" and "reserve forces" millions strong are kept ready for suppression of the people.

This proves that South Korea is in a state of an emergency martial law.

The questionnaire asks No if the claim that there is no "political prisoner" in South Korea is true.

It notes that the democratic party in South Korea announced that "political prisoners" numbered more than 4,000 as of the end of October last year, the human rights committee of the council of Christian churches said in July this year that those arrested for political reasons were more than treble the 1988 figure and thousands of people including Rev. Mun Ik-hwan and woman student Yim Su-kyong are serving prison terms for the mere reason that they fought for reunification, vital rights and democratic liberties.

The questionnaire asks No if his commitment to "build police trusted by the people" is true, adding that No must admit his being a liar and fascist tyrant in view of the fact that the "first director of the national police office" he appointed is the mastermind of the fatal police beating of patriotic student Kang Kyong-tae in a demonstration and the police killing of four guiltless people by an indiscriminate gun firing.

It asks No how he can achieve "independent unification" while leaving the U.S. troops in South Korea as they are and begging for their "key role," and urges him to clarify his position to it.

Noting that during his visit to the United States last July, No Tae-u said he had "no intention to unify the country by absorbing the North," but he never let a chance pass by without talking about "German mode of unification", meaning that he would "unify the country through absorption," the questionnaire urges No to clarify which is true.

It also urges him to clarify what his ulterior intention was in initialling the "Wartime Host Nation Support Agreement" like on the eve of a war, and if the transfer of the U.S. Eighth Army Command and other U.S. military bases to a local area from Seoul did not mean ensuring a permanent occupation by the U.S. forces.

Asking why the "nuclear inspection" of the North and the withdrawal of the U.S. nuclear weapons from South Korea are "separate issues," the questionnaire stresses:

The argument that the North which has no nuclear weapons must accept "nuclear inspection" and the nuclear inspection should not be made of the U.S. nuclear weapons deployed in South Korea is a mockery of international nuclear inspection and a brigandish logic devoid of impartiality.

If the United States had not deployed nuclear weapons in South Korea, the problem of removing nuclear threat on the Korean peninsula would not have been raised at all, still less the problem of nuclear inspection.

The South Korean authorities who do not know even how many U.S. nuclear weapons are present in their country are not entitled to claim the "right to nuclear negotiation."

Commentary Denounces No Tae-u Ruling Group

SK2108065791 Pyongyang KCNA in English
0532 GMT 21 Aug 91

["Act Against Reunification"—KCNA headline]

[Text] Pyongyang August 21 (KCNA)—NODONG SINMUN today comes out with a commentary hitting out at the No Tae-u ruling group's intensified crackdown on pro-reunification patriotic forces.

The South Korean rulers on the 17th of August passed a five-year prison term and five-year suspension of qualification upon student Song Kap-sok, former chairman of the National Council of Student Representatives (Chondaehyop), on the charge of "violation of the National Security Law," and on the 16th, a prison term upon the Rev. Hong Kun-su for praising the North. They also reissued arrest writs in advance for Pak Song-hui and Song Yong-sung, South Korean students who are visiting Pyongyang as delegates of Chondaehyop, by adding "charge of benefiting and sympathizing with the enemy" to the "charge of escaping, inspiring and praising and meeting" under the "National Security Law" taking issue with their "statements supporting the North's formula of reunification through a confederacy and U.S. troop pullout".

Branding the South Korean ruling group's brutal crackdown on them as an anti-reunification criminal act, the news analyst says:

The students and democrats whom the No Tae-u group has punished or is intending to arrest and punish on charges of "violation of the National Security Law" are true patriotic students and figures who have devotedly fought for the reunification of the country, the cherished desire of the whole nation.

In case of students Pak Song-hui and Song Yong-sung, they, too, are passionate, patriotic students who participated in the Mt. Paektu-Mt. Halla grand march for the promotion of national reunification and the second pan-national rally for peace and reunification of the country as delegates of Chondaehyop. The No group, however, is charging them with speaking in support of reunification through a confederacy and U.S. troop pullout while in the North. We cannot understand why it is wrong to say reunification should be achieved through a confederacy since different ideas and systems exist in the North and the South and why it is a crime to call for the withdrawal of the U.S. troops who act the master in South Korea.

The No Tae-u ruling group must look straight at the trend of the times and stop running riot and release the arrested students and pro-reunification patriotic figures without delay.

South Plan for Reunification Tower Discussed

SK2008051891 Pyongyang KCNA in English 0437 GMT 20 Aug 91

[Text] Pyongyang August 20 (KCNA)—NODONG SINMUN today comments on a decision of the South Korean authorities to build "a tower of desire for reunification" by squandering a large amount of money.

The news analyst says:

This is one more ridiculous farce of the splittists to disguise themselves as patriots.

Calling attention to the fact that the No Tae-u group made desperate efforts to block the 91 pan-national rally and grand reunification festival of delegates of the Koreans in the North, the South and overseas slated for August in Seoul and it is walking a road quite opposite to the people who desire reunification, the commentary says.

It is obvious to anyone that the No Tae-u ruling group is making noise about the "tower" to quell the criticism of the people, if only a little, by feigning concern for reunification while committing new monstrous crimes against reunification.

Their building of the "tower" is also a criminal act to make money by abusing the desire of people for reunification.

This is proved by the fact that they are selling to people bricks to be used for the building of the "tower", advertising that the latter is allowed to inscribe letters and their names on it.

Not without reason the South Korean CHOSON ILBO said the "tower" advertised by the puppets is wasteful and it shows the malicious trick to induce people to donate money.

The No Tae-u group is paying lip-service to "unification" and engaging itself in the building of an architectural artifice, shunning the settlement of such fundamental questions as the removal of the political and military confrontation between the North and the South. It is, in the final analysis, an intention to prolong division and make a mockery of people's desire for reunification.

U.S., South Urged To Accept Denuclearization

SK2108100191 Pyongyang Korean Central Broadcasting Network in Korean 0021 GMT 19 Aug 91

[NODONG SINMUN 19 August commentary: "They Should Join in Keeping Step With the Trend of the Times"]

[Text] A series of changes has occurred in the situation in different parts of the world, but tension is growing on the Korean peninsula alone, far from being eased. What is all the more grave is that unlike in other parts of the world, the danger of a nuclear war on the Korean peninsula is increasing with each passing day, greatly threatening not only our people but the people of Asia and the world. This is entirely because the United States is running counter to the general trend and keeping a large stock of nuclear weapons in South Korea, thus resorting to the policy of nuclear blackmail.

Due to the nuclear war maneuvers by the United States, a nuclear war to invade the North can occur at any time on the Korean peninsula. If this is carried out, the people of Asia and the world as well as our people will suffer the holocaust of a nuclear war.

No other place in the world is as dangerous as here, where the source of a nuclear war can be created. This is arousing great worry and uncertainty with each passing day among the world people who treasure justice and peace. Thus, the world's people are strongly demanding the immediate withdrawal of U.S. nuclear weapons from South Korea and the conversion of the Korean peninsula into a nuclear-free zone.

Eliminating the danger of a nuclear war on the Korean peninsula and guaranteeing solid peace are pending issues of this era which cannot be delayed any longer. In particular, the international situation today urgently demands an immediate end to the presence of the U.S. troops and nuclear weapons in South Korea, which are a product of the cold war era.

A condition for eliminating the danger of a nuclear war on the Korean peninsula is being provided. The deployment of nuclear weapons in South Korea by the United States is a direct outcome of its nuclear confrontation with the Soviet Union.

Today, the United States says that Soviet-U.S. relations have moved to reconciliation and cooperation from antagonism and confrontation, and that the two sides have agreed not to start a nuclear war against each other. These developments have created an objective possibility for turning the Korean peninsula into a zone free from nuclear weapons.

Meanwhile, the U.S. authorities have expressed support for the proposal for establishing nuclear-free zones in the Middle East, South Asia, and Africa. They have taken the position that they do not oppose in principle the establishment of nuclear-free zones on condition that the parties concerned reach an agreement. If this is the case, the United States must no longer avoid denuclearization on the Korean peninsula.

The changing situation at home and abroad today presents a mature demand for achieving as soon as possible denuclearization on the Korean peninsula, which is a pending issue in the world's politics.

The DPRK Government has proposed to denuclearize the Korean peninsula and has laid down detailed ways of implementing it, out of a noble desire to remove the danger of nuclear war on the Korean peninsula and to preserve a durable peace and security in Korea and the world. Also we have already clearly elucidated that we do not have nuclear weapons and that we have no intention or capability of producing them.

Our position and proposal regarding the denuclearization of the Korean peninsula is receiving wide support and welcome from our people and the people of the world with each passing day, due to its justness and feasibility. The South Korean people are also demanding the withdrawal of U.S. nuclear weapons and denuclearization on the Korean peninsula.

This issue is dependent upon the attitude of the authorities of the United States and South Korea. There is no ground or excuse for the United States and the South Korean authorities to refuse to accept our proposal.

Determining what kind of attitude to take on the issue of denuclearization of the Korean peninsula will be a test in judging whether the United States and the South Korean puppets truly hope to achieve Korea's peace.

The United States and the South Korean puppets must join us without delay in our efforts and in keeping step with the trend of the times to denuclearize the Korean peninsula.

South, U.S., Japan Criticized for 'Slander'

SK2108064091 Pyongyang KCNA in English 0512 GMT 21 Aug 91

["Perilous Conspiracy"—KCNA headline]

[Text] Pyongyang August 21 (KCNA)—NODONG SINMUN today comments on the persistent manoeuvrings of the South Korean puppets and the U.S. and Japanese reactionaries to isolate and slander our republic with outcries over "nuclear development".

The news analyst says:

Of late the South Korean puppets and the U.S. and Japanese reactionaries stated that they would hold "high-level policy consultative meeting on the developments in Northeast Asia and the ways of checking nuclear development by Pyongyang" and Japanese reactionaries and the South Korean puppets said that they would hold a "working-level political consultative meeting" with the attendance of those in charge of foreign affairs and authorities and even "officers in uniform of the Self-Defence Forces" and exchange "profound views" on the "situation on the Korean peninsula and the movement of North Korea for nuclear development".

The South Korean puppets and the U.S. and Japanese reactionaries have left no stone unturned in their bid to build up public opinion over the fictitious "nuclear problem" of the North in the international arena, but in vain. They are now trying to realise their sinister scheme at any cost by strengthening their conspiracy.

We have neither intention nor capacity to develop nuclear weapons, and have consistently insisted on the denuclearisation of the Korean peninsula.

Why the South Korean puppets and the U.S. and Japanese reactionaries are taking issue with our republic, setting afloat rumors of "nuclear development" and "nuclear threat" by us? The United States seeks in this to justify its policy of nuclear blackmail on the Korean peninsula and unleash a nuclear war on the pretext of removing someone's "nuclear threat" and realise its wild ambition for world supremacy through it.

The Japanese reactionaries are raising a hue and cry over the fictitious "nuclear development" and "nuclear threat" by us, ignoring the U.S. nuclear weapons deployed in South Korea, a grave threat to peace in Korea, Asia and the rest of the world. They seek in this to invent a pretext to arm Japan with nuclear weapons, urged by the wild ambition to be a military power. The South Korean puppets are trying without hesitation to inflict nuclear holocaust upon the fellow countrymen, dreaming of their long-term office under the nuclear umbrella.

The schemings of the U.S. and Japanese reactionaries and the South Korean puppets to hold "consultative meetings" are designed to weave a plot to further intensify triangular joint campaign against the DPRK.

U.S. Called 'Chieftain of Threat' to East Asia

SK2108115291 Pyongyang KCNA in English 1026 GMT 21 Aug 91

["Chieftain of Threat to Security in East Asia"—KCNA headline]

[Text] Pyongyang August 21 (KCNA)—The U.S. authorities are spreading a false rumour through official statements and mass media that the DPRK is "developing" nuclear weapons and that this threatens "security in East Asia."

NODONG SINMUN today denounces this sophistry as aimed at diverting elsewhere the attention of the world demanding the withdrawal of some 1,000 pieces of nuclear weapons from South Korea and justifying their policy of nuclear blackmail in Asia with South Korea as the foothold.

The signed article says:

The chieftain of threat to security in East Asia is the United States which has deployed a large stock of nuclear arms in South Korea and is increasing the danger of nuclear war.

The Asian and the world people remember the crime of the United States in dropping atomic bombs on Hiroshima and Nagasaki of Japan in August 1945, reducing the two cities to ruins and leaving hundreds of thousands of people dead in a moment.

The United States discussed with the South Korean puppets the shipment of nuclear weapons to South Korea in February 1957 and has since brought more than 1,000 nuclear weapons. Quite a few of them go beyond the boundary of Korea in range.

This shows that the United States did not regard the DPRK as the only target of the nuclear weapons deployed in South Korea.

The United States stages an exercise of launching nuclear weapons at other countries in Asia while directing the nuclear war game mainly against the DPRK.

Who threatens whom in East Asia is being made plain by the position and attitude toward the issue of denuclearising the Korean peninsula.

We have long since proposed to turn northeast Asia into a nuclear-free zone and denuclearise the Korean peninsula and made every effort possible to realise it.

On the contrary, the United States is rushing along the road of increasing the nuclear danger while shunning our reasonable and realistic proposals.

The outcry that the DPRK "threatens security in East Asia" is a lie and it is none other than the United States that threatens it.

CPC Delegation Calls on WPK Department

SK1908121991 Pyongyang KCNA in English 1033 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—Zhu Liang, head of the International Liaison Department of the Central Committee (C.C.) of the Communist Party of China, and his party today called at the International Department of the Central Committee of the Workers' Party of Korea [WPK].

Secretary Kim Yong-sun and Vice-Director of a department Kim Yang-kon of the C.C., the WPK met the guests and exchanged views with them.

Present on the occasion were Chiang Zhengcai, charge d'affaires ad interim of the Chinese Embassy here.

Views were exchanged in a comradely and friendly atmosphere.

Science Group Leaves for PRC; Others Arrive

SK1808091191 Pyongyang KCNA in English 0828 GMT 18 Aug 91

[Text] Pyongyang August 18 (KCNA)—A delegation of the Korean General Federation of Science and Technology led by Ho Pyong-chin, vice-chairman of the C.C. [Central Committee] of the federation, left here for China Saturday by train.

A delegation of the Canadian headquarters of the pan-national alliance for the country's reunification led by chairman of the headquarters Chon Chong-yim and a delegation of Cairo University of Egypt led by vice-president of the university Fathy Waly arrived here on the same day.

Also arriving here Saturday were vice-president of the Bangladesh group of the International Organisation of Journalists Jawadul Karim, president of the Indian Journalists Union Santosh Kumar, general secretary of the All-India Newspaper Employer Federation K.L. Kapur, president of the National Press Club of Nepal Ram K. Karmacharya, a delegation of the Sri Lanka Press Association led by president of the association Daniel Francis Karayakarawara and a delegation of the Provincial Journalists Association of Thailand led by general secretary of the association Ohotima Prommi to participate in the consultative meeting of the presidents of the journalist organisations in Asia and Oceania.

Soviet Delegation Concludes Visit 17 Aug

SK1708101691 Pyongyang KCNA in English 0958 GMT 17 Aug 91

[Text] Pyongyang August 17 (KCNA)—Ya. T. Novichenko, an internationalist soldier, and his party today ended their visit to the DPRK beginning July 27.

The guests were received by the great leader President Kim Il- song.

During their stay in Korea, the Soviet guests visited Mangyongdae, the West Sea Barrage, Wonsan University of Agriculture and other places in Pyongyang and local areas.

They toured Mt. Kumgang and Mt. Myohyang, world-famous scenic spots.

Chernobyl Children Receive Medical Treatment

SK2008153991 Pyongyang KCNA in English 1510 GMT 20 Aug 91

[Text] Pyongyang August 20 (KCNA)—Soviet children from the Chernobyl area who arrived in Pyongyang on August 15 are receiving medical treatment in Korea to clean themselves of the effects from radioactive contamination.

The Soviet children underwent a comprehensive examination at the modernly-appointed Taedonggang hospital in Pyongyang before receiving a proper treatment.

The Korean medical workers, deeply conscious of their internationalist duty, are taking care of the Soviet children with all sincerity and treat them with traditional Korean medicines including ginseng specially good for radioactive decontamination.

The Soviet children are now spending a pleasant time at world-famous Mt. Kumgang.

Kim Il-song Sends Message to Hungarian President

SK1908120891 Pyongyang KCNA in English 1023 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to President Arpad Goncz of the Hungarian Republic.

He congratulated the Hungarian president and people on the occasion of the national holiday of Hungary.

O Chin-u Sends Message to SRV Defense Minister

SK1908132591 Pyongyang KCNA in English 1019 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—Vice Marshal of the Korean People's Army O Chin-u, minister of People's Armed Forces, sent a message of greetings to Gen. Doan Khue on his appointment as minister of national defence of the Socialist Republic of Vietnam.

Expressing the belief that the friendly relations between the two armies will develop favourably, the message wishes him success in his responsible work for increasing the country's defence capabilities.

Kim Il-song Meets, Gives Luncheon for Sihanouk

SK1708110591 Pyongyang KCNA in English 1016 GMT 17 Aug 91

[Text] Pyongyang August 17 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today met His Royal Highness Samdech Norodom Sihanouk, chairman of the Supreme National Council of Cambodia, on a visit to Korea.

Present on the occasion were the Samdech's party and Cho Kyu-il, vice-minister of foreign affairs.

President Kim Il-song conversed with Samdech Norodom Sihanouk in a warm and friendly atmosphere.

He gave a luncheon for the Samdech.

The luncheon proceeded in a cordial atmosphere.

Cambodia's Sihanouk Hosts Reception 18 Aug

SK1908052091 Pyongyang KCNA in English 0452 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—His Royal Highness [H.R.H.] Samdech Norodom Sihanouk, chairman of the Supreme National Council of Cambodia, on a visit to Korea, gave a reception Sunday [18 Aug] upon the successful conclusion of the shooting of a Cambodian feature film.

Invited there were officials and actors and actresses of the Korean Film Studio.

H.R.H. Samdech Norodom Sihanouk and Madame and his party and Cambodian Ambassador to Korea Son Chhum were present.

Samdech Norodom Sihanouk spoke at the reception. Then followed a speech of president of the studio Paek Min.

Art pieces were performed at the reception.

Concludes Visit, Departs

SK1908124991 Pyongyang KCNA in English 1020 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—His Royal Highness Samdech Norodom Sihanouk, chairman of the Supreme National Council of Cambodia, left Pyongyang by special plane today after paying a visit to Korea.

His party left with him.

He was seen off at the airport by Vice-President Yi Chong-ok, Vice-Premier and Foreign Minister Kim Yong-nam, Vice-Premier Kim Pok-sin and officials concerned.

A farewell function took place at the airport.

Kim Il-song Sends Message to Lao Party Chairman

SK1808085691 Pyongyang KCNA in English 0846 GMT 18 Aug 91

[Text] Pyongyang August 18 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent a message of greetings on August 17 to Kaysone Phomvihan, chairman of the Central Committee of the Lao People's Revolutionary Party, on his election as president of the Lao People's Democratic Republic.

President Kim Il-song expressed the belief that the traditional relations of friendship and cooperation between the two countries would grow stronger and develop, and wished the Lao president new success in his responsible work to implement the decisions of the fifth congress of the Lao People's Revolutionary Party and achieve the prosperity of the country.

Agricultural Delegation Leaves for Cuba

SK1708110391 Pyongyang KCNA in English 1015 GMT 17 Aug 91

[Text] Pyongyang August 17 (KCNA)—A DPRK government agricultural delegation led by Kim Won-chin, chairman of the agricultural commission, left here today to visit Cuba.

A delegation of Havana University led by vice-president of the university Ana Lidia Brizuela Vendredi, and Abdullah Shadan, president of the Journalists Union of Afghanistan, to attend the consultative meeting of the presidents of the journalist organisations in Asia and Oceania arrived here on August 16.

Havana Citizens Send Gift to Kim Chong-il

SK1708045791 Pyongyang KCNA in English 0448 GMT 17 Aug 91

[Text] Pyongyang August 17 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from the Havana citizens.

The gift was handed over to Kang Hui-won heading a DPRK party and government delegation by Pedro Chaves, president of the Havana city National Assembly of the people's power, on August 12.

Japan's Nagasaki Mayor Discusses Relations

SK1908053491 Pyongyang KCNA in English 0449 GMT 19 Aug 91

[Text] Tokyo August 16 (KNS-KCNA)—Hitoshi Motoshima, mayor of Nagasaki, Japan, talked about the question of Japan-Korea relations on Aug. 9 when he met the head of a delegation of the Korean National Peace Committee staying here.

Referring to the Japanese colonial rule over Korea, the mayor said he would make efforts to do away with the continued national discrimination against Koreans in Japan.

Japan, too, should be blamed for the division of Korea, he noted, adding that he sincerely hopes for the peaceful reunification of Korea.

He contended that the Japanese Government must take measures to aid the Korean A-bomb victims and the Japanese side should also realize cooperation for those victims in the DPRK, he said.

Japanese Lawyers Lecture in Pyongyang 20 Aug

SK2108062191 Pyongyang KCNA in English 0447 GMT 21 Aug 91

[Text] Pyongyang August 21 (KCNA)—Lectures were given by lawyers and public figures of Korea and Japan at the Grand People's Study House Tuesday.

Present there were Korean public figures, lawyers and officials concerned and the members of the delegation of Japanese lawyers and public figures who are defending the human rights of Korean residents in Japan led by Rokuro Kitayama, ex-chairman of the Japan lawyers federation.

Chong Yong-chun, Yi Sam-no and So Chang-sop, Korean public figures and lawyers, took the floor first.

They gave lectures on the reunification of Korea and democratization of the South Korean society, the normalization of DPRK-Japan diplomatic relations and nuclear inspection, the popular character of the laws of the DPRK and its civil law and family law.

The most important and preferential problem in reunifying Korea is to define the method of reunification, the lecturers noted, recalling that respected President Kim Il-song has advanced the way of reunifying the country by means of confederacy based on one nation, one state, two systems and two governments.

Turning to the normalization of Korea-Japan relations, they roundly exposed the injustice of the arguments of Japan in the intergovernmental talks and recalled that she raised problems alien to the talks.

They noted that the talks between the two countries have not been successfully held in accordance with its mission and duty to clear the past of the Korea-Japan relations and normalize diplomatic relations. This is entirely attributable to the attitude and position of the Japanese side towards the talks, they stated.

The Japanese Government should respond to the proposal of the DPRK Government signifying a turnabout, they stressed.

At the talks for the normalization of Korea-Japan relations Japan, forgetful of its position as the wrongdoer who should liquidate the past, raised "nuclear inspection" as a precondition at the request of the United States, the lecturers recalled. They laid bare the unjustness of the "nuclear inspection" problem brought forward by the Japanese side.

If Japan truly feels nuclear threat and is interested, from a fair position, in the maintenance of the nuclear nonproliferation system and the signing of the nuclear safeguards accord by us, it should, as a matter of course, show concern for the U.S. nuclear arms in South Korea and express support to the DPRK's proposal for the denuclearization of the Korean peninsula, they stressed.

Then Japanese lawyers Shigeru Tokoi and Kiyoshi Yamashita gave lectures on the subjects of Japan's responsibility for its colonial rule over Korea and defence of the legal status of the residents in Japan and their rights.

They cited materials exposing the discrimination against Korean residents in Japan by the Japanese Government. It contravenes the usage of international law for the government to unfairly treat overseas citizens of the DPRK, an independent state.

This is consequences of the Japanese authorities' hostile policy toward the DPRK, they noted.

The rights of Koreans in Japan have not been granted by the Japanese Government but have been won by the struggle of the General Association of Korean Residents in Japan closely rallied under the leadership of respected President Kim Il-song and solidarity of the democratic forces in Japan, they stressed.

They vowed to make vigorous efforts to defend rights of the Koreans in Japan.

Urge Sincere Talks With Japan

SK2108055591 Pyongyang KCNA in English 0440 GMT 21 Aug 91

[Text] Pyongyang August 21 (KCNA)—The Japanese Government should blackball unreasonable pressure within and without and sincerely approach the negotiation with the DPRK by its independent judgement.

The delegation of Japanese lawyers and public figures who are defending the human rights of Korean residents in Japan led by Rokuro Kitayama, ex-chairman of the Japan lawyers federation, said this in a statement Tuesday supporting the independent and peaceful reunification of Korea and demanding an early normalization of Japan-Korea diplomatic relations and guarantee of the human rights of Korean residents in Japan.

Noting that Japan-Korea intergovernmental negotiation has been going on according to the joint declaration adopted by the Liberal-Democratic Party and the Social Democratic Party of Japan and the Workers' Party of Korea in Pyongyang in September last year, the statement said: The negotiation, however, is not satisfactory to the two peoples.

What is most urgent in Japan-Korea negotiation is to look squarely into the truth of the period of the 36-year long colonial rule over Korea and the 45-year post-war unfriendly period and for the wrongdoer to take a sincere attitude and make compensation in concrete form.

Only when this historical clearance is made, Japan and Korea will take a step towards a bright future through cooperation.

The normalization of Japan-Korea relations is for ensuring peace and human rights of the two peoples and contributing to peace and prosperity of Asia and the rest of the world. It is a demand of the times which brooks no furthur delay, we dare say.

And the problem of human rights of the Korean residents in Japan must be settled at the same time in the negotiation. The Japanese Government has forced upon the Korean residents in Japan various stringent regulations and pursued an unjust policy against national rights by the immigration control law and the law on the registration of foreigners for a long period after the war. It is a continuation of its past colonial rule. They should be reexamined on an overall scale today when Japan-DPRK relations are to be fundamentally improved.

We sincerely hope that Korea will be reunified at an early date and strongly demand an early normalization of Japan-Korea diplomatic relations and the guarantee of human rights of the Korean residents in Japan.

Kim Il-song Envoy Returns After Visit to Nepal

SK1708104691 Pyongyang KCNA in English 1018 GMT 17 Aug 91

[Text] Choe Ki-yong, chairman of the State Education Commission, returned home today after paying a visit to Nepal as a special envoy of the great leader President Kim Il-song.

He was met at the airport by Vice-minister of Foreign Affairs Kim Chae-sok and vice-chairman of the State Education Commission Yi Kwan-su.

Kim Il-song Sends Message to Afghan President

SK1808090191 Pyongyang KCNA in English 0820 GMT 18 Aug 91

[Text] Pyongyang August 18 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to President Najibollah of the Republic of Afghanistan on the 72nd anniversary of the independence of Afghanistan.

President Kim Il-song wished the Afghan president and people greater success in the efforts to realise national reconciliation and achieve peace and stability in the country.

He expressed the belief that the friendly and cooperative relations between the two countries would continue to strengthen and develop.

Vice Marshall Greets Afghan Defense Minister

SK1908122391 Pyongyang KCNA in English 1028 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—Vice Marshal of the Korean People's Army Comrade O Chin-u, minister of People's Armed Forces, sent a message of greetings to General Mohammad Aslam Watanjar, minister of national defence of the Republic of Afghanistan, on the occasion of the day of army and independence of Afghanistan.

The message says that since its foundation, the Afghan Armed Forces have devotedly struggled to reliably guarantee the Afghan people's endeavours for the building of a new independent society and safeguard the country's security and peace.

Expressing the belief that the friendship between the armies of the two countries would further develop, the message sincerely wishes the Afghan defence minister greater success in his work for the strengthening of the defence capability of the country.

NODONG SINMUN on Afghan Independence Day

SK1908073991 Pyongyang KCNA in English 0545 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—NODONG SINMUN today dedicates a signed article to the 72nd anniversary of the independence of Afghanistan (August 19, 1919).

The article says:

The Afghan people have since the independence covered a course of arduous struggle against the imperialists' moves of aggression and for the building of a new society.

The Afghan Government calls on all forces to display patriotism to defend the sovereignty of the country and achieve peace, democracy and national reconciliation. It hopes that the civil war will be terminated through dialogue and negotiation.

The Afghan Government, pursuing a non-aligned policy, is developing friendly and cooperative relations with many countries that respect the country's sovereignty.

The Korean people express support and solidarity for the Afghan people's struggle for stability in the country and national reconciliation.

The Korean and Afghan peoples have been favorably developing their relations of friendship and cooperation.

The Korean people hope that the Afghan people's efforts to achieve peace and democracy in the country and national reconciliation will bear a good fruit.

Kim Il-song Receives Danish Workers Delegation

SK2008153691 Pyongyang KCNA in English 1515 GMT 20 Aug 91

[Text] Pyongyang August 20 (KCNA)—The great leader Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] , today received the visiting delegation of the Danish Workers' Party, Common Cause headed by its chairman Preben Moller Hansen.

Present on the occasion were Secretary Kim Yong-sun and deputy director of a department Kim Hyong-u of the C.C., the WPK.

Comrade Kim Il-song conversed with the guests in a comradely and friendly atmosphere.

He was presented with a gift by head of the delegation.

He arranged a dinner for the delegation.

Kim Il-song Receives Letters From Abroad

SK2008045591 Pyongyang KCNA in English 0418 GMT 20 Aug 91

[Text] Pyongyang August 20 (KCNA)—The great leader President Kim Il-song received letters from the participants in meetings held in Nepal and Great Britain to mark the 38th anniversary of the victory of the Korean people in the Fatherland Liberation War.

In the letters the participants said that the U.S. imperialists ignited a war of aggression against the Korean people, but the Korean people won victory in the war thanks to the brilliant and revolutionary military strategy of President Kim Il-song.

President Kim Il-song proved to the world that the decisive factor of the victory in a war is the revolutionary enthusiasm of the people in the struggle for the cause of justice, they stressed.

Today when socialism is undergoing a grim trial and the imperialists are intensifying their aggressive and interventionist moves as never before, the firm confidence and loyalty of the great leader President Kim Il-song and the dear leader Comrade Kim Chong- il to the cause of socialism give great hope and inspiration to the world's people who desire independence and peace.

A letter to President Kim Il-song was also adopted at the starting ceremony of the "international solidarity march for supporting Korea's reunification" held in Malta.

In the letters adopted in Nepal and Malta, the participants wished President Kim Il-song good health and long life.

Receives More Messages From Abroad

SK2108054691 Pyongyang KCNA in English 0420 GMT 21 Aug 91

[Text] Pyongyang August 21 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received messages of greetings from Pierre Buyoya, chairman of the Central Committee of the Party of Union for National Progress of Burundi and president of the Republic of Burundi, and Hafiz al-Asad, president of the Syrian Arab Republic, on the occasion of the 38th anniversary of the victory in the Fatherland Liberation War and the month of anti-imperialist joint struggle, and a letter of solidarity from Mohamed Belhadj Ameur, general secretary of the People's Unity Party of Tunisia in support of the joint statement of the political parties and public organisations of the DPRK and the DPRK Government's decision to enter into the United Nations.

Expressing full support to the independent and peaceful reunification of Korea, the messages and letter hoped that the friendly and cooperative relations between Korea and Burundi, Syria and Tunisia would further strengthen and develop.

Comrade Kim Il-song received a message from the Central Committee of the Communist Party of Austria on the occasion of the month of solidarity with the Korean people.

Kim Il-song Hosts Luncheon for Writers

SK1908051391 Pyongyang KCNA in English 0446 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—The great leader President Kim Il-song Sunday received "Kim Il-song Prize" winner Kwon Chong-ung and other writers.

He noted with deep satisfaction that the writers, unboundedly faithful to the party and the revolution, have created many revolutionary literary works, upholding our party's policy of literature and art, and highly praised them for their creative successes.

Saying that revolutionary literary works are of great significance in establishing a revolutionary outlook on the world among the party members and working people, he gave highly important teachings which will serve as the guiding principle in producing more revolutionary literary works.

He arranged a luncheon for the writers and posed for a photograph with them.

The writers who had the honor of being received by President Kim Il-song firmly pledged to remain boundlessly loyal to the party and the leader with a single heart and effect a new upsurge in literary production as eternal companions and faithful helpers of our party.

Kang Song-san Delivers Party Message of Thanks

SK1808050191 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 14 Aug 91

[Excerpts] A thank-you message from the Central Committee of the Workers Party of Korea [WPK] was delivered at a meeting on 14 August to the scientists and employees of the 28 May Metal Institute, who greatly contributed to accelerating the chucheization of the metal industry and increasing the production of iron and steel materials. [passage omitted]

Comrade Kang Song-san, member of the WPK Central Committee Political Bureau, responsible party secretary of North Hamgyong Province, and chairman of the People's Committee of North Hamgyong Province; and other functionaries concerned participated in the meeting with the scientists and employees of the institute.

At the meeting Comrade Kang Song-san delivered the thank-you message from Central Committee of the WPK. [passage omitted]

Pak Song-chol Attends Performance 19 Aug

SK2008053291 Pyongyang KCNA in English 0446 GMT 20 Aug 91

[Text] Pyongyang August 20 (KCNA)—A national art performance of kindergarteners was given at the central workers' house Monday.

Put on the stage was a colorful program including vocal and instrumental music, dances and acrobatic pieces selected at the national art festival of kindergarteners which was held some time ago.

Vice-president Pak Song-chol and other senior officials saw the performance.

The kindergarteners delighted the audience by presenting stage pieces telling their pride in receiving preschool compulsory education under the correct educational policy of our party through which they nurse unbounded loyalty to the party and the leader and the warm love for the country from their childhood, while bringing their talent into bloom.

The performance vividly showed the happy looks of the kindergarteners who are growing with nothing to envy in the world as the "king" of the country and the future of the motherland under the warm love of the great leader Marshal Kim Il-song and the dear leader Mr. Kim Chong-il.

Workers Party Said To Continue Revolution

SK2108111091 Pyongyang KCNA in English 1013 GMT 21 Aug 91

["Brilliant Application of Idea of Continued Revolution by Our Party"—KCNA headline]

[Text] Pyongyang August 21 (KCNA)—The Workers' Party of Korea has brilliantly applied the idea of continued revolution, says NODONG SINMUN today in a by-lined article.

Our people have been able to successfully build superior socialism of our own style through uninterrupted continuation of revolution by thoroughly applying the idea of continued revolution. The article says, adding:

What is important in the leadership of our party which has strictly applied the idea of continued revolution is, above all, that it thoroughly fulfilled democratic revolution our own way suited to the demand of continued revolution towards socialism.

The dear leader Comrade Kim Chong-il said:

"In our country, not only the agrarian reform but also other tasks of democratic revolution were thoroughly fulfilled our own way to suit the demand of continued revolution toward socialism."

In carrying out democratic revolution our party fulfilled all tasks to suit the demand of continued revolution toward socialism, looking forward to socialist revolution to be carried out in the future. What is important here is that the problem of power was correctly solved our own way.

Our party established people's government without delay after liberation by brilliantly applying the line of building people's government put forward by the great leader Comrade Kim Il-song during the anti-Japanese revolutionary struggle.

As the agrarian reform was thoroughly carried out to suit the demand of continued revolution, a favourable precondition for cooperativizing agriculture in future was created. With the strict nationalization of major industries under the leadership of the party, the socialist economic sector occupied a dominant position already in the period of democratic revolution.

Important in the leadership of our party which has strictly applied the idea of continued revolution was that it carried out democratic revolution to the letter and immediately won over to socialism and carried out the socialist revolution in good time our own way.

After the democratic revolution our party, correctly seeing through the demand and aspiration of popular masses for socialism and objective conditions, set forth a policy of uninterruptedly going over to socialism and mobilized the popular masses to succeessfully carry out the tasks of the socialist revolution including the work of transforming old production relations in town and country on a socialist line in the shortest period.

What is important in the leadership of our party which thoroughly carried out the tasks of continued revolution is that it actively pushed ahead with socialist construction, while vigorously conducting three revolutions, ideological, technical and cultural, after the socialist revolution triumphed and socialist system was established.

Our party defined the three revolutions as the main content of continued revolution to be carried out in socialist society and as tasks of continued revolution which must be carried on till communism is built and saw to it that the three revolutions were energetically promoted.

It is a consistent principle of our party in carrying out the three revolutions to closely combine technical revolution with cultural revolution, while giving definite priority to the ideological revolution.

What is important in continuing revolution for fully realizing the independence of the popular masses after the establishment of the socialist system is to steadily strengthen people's government and enhance its function and role.

The great leader gave the classical definition that communism is people's power plus the three revolutions. Under the leadership of the party our people's government has been built to be a government serving entirely for the people as the representative of the independent rights of the working people, organizer of their creative ability and activity and householder responsible for their living and champion of their interests.

In order to uninterruptedly carry to accomplishment the revolution for the complete realization of the independence of the popular masses after establishing socialist system, economic and social transformation must be carried out in such a manner as to steadily strengthen the driving force of revolution.

Our party has firmly established a monolithic ideological system in the whole party and society and strengthened the invincible unity and cohesion of the party and revolutionary ranks based on the oneness of the idea and leadership in every way and thus continue upholding the banner of socialism by strengthening the role of the driving force of revolution.

Former Diet Member Publishes Reunification Book

SK2108103791 Pyongyang KCNA in English 1005 GMT 21 Aug 91

[Text] Pyongyang August 21 (KCNA)—Chuji Kuno, former chairman of the Dietmen's League for the Promotion of Japan-Korea Friendship, published a picture album "Korea Is One. Toward Reunification".

The album consists of the preface, "The 13th World Festival of Youth and Students", "Yim Su-kyong, 'Flower of Reunification'", "The Vortex Toward Reunification", "Pyongyang Turns More Beautiful," "The Leader Who Enjoys Respect of the Popular Masses", etc.

In the preface Chuji Kuno wrote: I hope this album will be helpful to putting a period to the national tragedy of the Korean people and establishing a unified state.

A joint declaration of three parties was signed in September, 1990 between the delegations of the Liberal-Democratic Party and the Social Democratic Party of Japan led by Kanemaru and Tanabe and the delegation of the Workers' Party of Korea. This was an extraordinary event in the history of Japan-Korea relations and a laudable deed to be conspicuously recorded in the world's history, too, he noted.

An explanatory note on the part entitled "The Leader Who Enjoys Respect of the Popular Masses" says: Unquestioned is the trust in President Kim Il-song who is devoting his whole life to the liberation and independence of the nation, to the prosperity of the country.

The singlehearted unity between the president and the popular masses as between kith and kin, the former always bringing the people to the fore, calling them a "teacher" and the latter boundlessly respecting the president, is a relationship between the leader and the people which can be seen only in Korea.

Such warm relationship of trust is now being carried forward by Secretary Kim Chong-il, shedding rays more brilliantly.

Integrated Farm Based on Ownership Analyzed

SK1908153091 Pyongyang KCNA in English 1504 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—Sonpong County, North Hamgyong Province, is situated on the northernmost tip of the east coast of Korea.

Here is an integrated farm based on all-people ownership which forms a county.

In the past, this county was regarded unfit for human habitation, being mountainous and marshy.

After the country was liberated in August 1945, a plan to develop this area was drawn up only to be suspended by the three years of war.

The great leader President Kim Il-song, while guiding this county on the spot in March 1959, defined it as one of the units for creating experience and method of managing the economy based on all- people ownership.

As a result, all villages and fishery stations and local industrial factories in the county were merged into a county integrated farm.

Thousands of hectares of marsh was turned into paddy fields through a large-scale development project and a foundation of breeding animals, especially milch cows, sheep and ducks and bases of fisheries depending on the sea and lakes were built up firmly.

With a rapid growth in production, the output value of the farm has reached 250 times that some 30 years ago.

Over the last 15 years, the average yield of main crops has risen 50 percent and production increased four times in meat, 50 times in milk, 54 times in butter and 50 percent in fishes.

The integrated farm turns out more than 600 kinds of goods.

Among them, processed fish, milk and duck and mink fur are exported.

The material and technical foundation of the farm has been consolidated, the number of tractors increasing six times and that of trucks 12 times over the last ten years.

Attention is paid to building towns.

Many multi-story houses, a stadium, a gymnasium, a house of culture and other buildings have taken shape in recent years.

Pleasure grounds are being built along the scenic seashore.

Monuments, Industrial Units Named After Youth

SK2108152791 Pyongyang KCNA in English 1459 GMT 21 Aug 91

[Text] Pyongyang August 21 (KCNA)—There are many youth monuments in Korea which tell about the heroic feats and achievements of youths.

This year alone in which the sinificant first youth day falls on August 28, "youth day celebration" electric locomotives, Paekam-Yugok youth railway line, youth paper mills, youth fish farms and youth power stations have made their appearance.

Many units of all domains of the national economy in Korea such as railway lines and stations, coal and ore mines, factories, enterprises, farms, workteams, subworkteams, locomotives, vessels and large-sized machines are named after "youth" and they number more than 29,000.

Among them are some 80 factories and enterprises, 40 odd youth railway stations and more than 26,000 extra-large machines and equipment including a 10,000 ton press.

Some 350 youth workteams and youth subworkteams, organized in rural communities, are reaping bumper crops from the cooperative fields every year.

Millions of young men and women in Korea are now performing brilliant feats in different branches of the national economy on the occasion of their significant holiday.

KCNA Reviews 21 Aug Pyongyang Press

SK2108065991 Pyongyang KCNA in English 0519 GMT 21 Aug 91

[Press review]

[Text] Pyongyang August 21 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song received the delegation of the Danish Workers' Party, Common Cause and a report that the dear leader Comrade Kim Chong-il was presented with a gift by the Danish Workers' Party, Common Cause.

Immortal classical works of President Kim Il-song were reported in foreign countries, says NODONG SINMUN.

Papers carry news that "Our Socialism for the People Will Not Perish", a work of Comrade Kim Chong-il, was studied and disseminated in different countries.

NODONG SINMUN comes out with an article saying that our working class has grown to be the leading class of revolution under the great love and benevolence of Comrade Kim Chong-il.

The paper informs the readers that foreign scholars visited Mt. Paektu and praised the immortal revolutionary history of President Kim Il-song.

Econews of papers includes reports that hydraulic power stations in different parts of the country are increasing power production, a remarkabe success was achieved in replacing textile equipment with high-speed and precision one and paddy rice crops are ruling unusually good this year.

NODONG SINMUN carries an article entitled "Brilliant Application of the Idea of Continuous Revolution by Our Party."

Papers report that the delegation of Japanese lawyers and public figures who are defending the human rights of the Korean residents in Japan published a statement and a lecture meeting of lawyers and public figures of Korea and Japan took place.

Given in papers are accounts of the sojourn of students Pak Song-hui and Song Yong-sung, delegates of "Chondaehyop" [National Council of University Student Representatives], in Pyongyang, of medical treatment in Korea of Soviet Children from the afflicted area of Chernobyl and of a contact held between the chief liaison officials of both sides for the North-South high-level talks.

Seen in the press is an open questionnaire of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland demanding answers of the No Tae-u ruling circles in connection with the fact that the South Korean authorities are pretending to desire independence, democracy and reunification, while enforcing the "security-oriented rule".

Papers report that the closing ceremony of the '91 pan-national rally was held in Seoul, cholera is rapidly spreading in South Korea and the South Korean puppets are continuously staging ground and aerial war exercises near the Military Demarcation Line.

NODONG SINMUN comes out with a commentary denouncing the No Tae-u ruling group's brutal suppression aimed at blocking the reunification movement which is gaining further momentum after the August 15 grand reunification festival.

Picture album "Korea Is One, Toward Reunification" was published in Japan, says the daily.

It is reported in the press that the USSR State Committee for the State of Emergency issued Resolutions Nos. 1 and 2, the acting president of the Soviet Union promulgated a decree on the state of emergency in Moscow and the all-union council of war veterans and the Soviet war veteran committee made public an appeal supporting the state of emergency.

According to the press, the 11th Pan-American Sports Games closed, the director-general of the China centre for international studies demanded the "big powers concerned" not to interfere in the internal affairs of the Korean peninsula and the Chinese PEOPLE'S DAILY carried its news analyst's article titled "Let Us Build Iron Wall To Prevent 'Peaceful Transition'".

The press reports that the president of the Socialist Party of Serbia who is member of the State Presidency of Yugoslavia rejected intervention by other countries and U.N. forces in the settlement of the country's crisis and the general secretary of the Revolutionary Party of Tanzania laid stress on firmly adhering to socialist principles.

In a commentary, NODONG SINMUN says that the South Korean puppets and the U.S. and Japanese reactionaries are persistently resorting to moves to isolate and slander the DPRK over the "nuclear development" problem.

An article of the daily stresses that it is the United States that is threatening security in East Asia.

South Korea

Talks End Without Agreement; To Meet 22 Aug

SK2108034391 Seoul KBS-1 Radio Network in Korean 0300 GMT 21 Aug 91

[Text] On 21 August both sides of the South and North held a responsible liaison officers contact at the House of Peace, on our side of Panmunjom, and carried out discussions on the issue of changing the venue of the meeting for the fourth round of the North-South high-level talks as proposed by the North, but no agreements were reached.

Therefore, both sides of the South and North will hold a responsible liaison officers contact again on 22 August at the Tongil Pavilion in Panmunjom and discuss this issue. However, since North Korea is proposing that the venue of the fourth round of the North-South high-level talks be moved from Pyongyang to Tongil Pavilion, Panmunjom, there is a strong possibility that the fourth round of North-South high-level talks slated for 27 August will be difficult to take place as scheduled.

Meeting With North Scientists Held in China

SK2108033391 Seoul THE KOREA HERALD in English 21 Aug 91 p 2

[Text] Yanjin City, China—Some 150 South and North Korean scientists and engineers are meeting in this northeastern Chinese city in their first such mass gathering since the division of the Korean peninsula 46 years ago.

The occasion is the First International Scientific Technology Symposium, hosted by the Seoul-based Korean Federation of Science and Technologies Associations (KFSTA), which opened Tuesday here for a three-day run.

Also participating in the symposium are about 1,200 ethnic Korean scientists from China, Japan and the United States.

About 100 South Korean delegates to the symposium are led by Chong Cho-yong, president of the KFSTA.

Among the prominent South Korean delegates is Cho Wankyu, former president of Seoul National University.

The 46-member North Korean delegation is headed by Ho Pyong-chin, deputy chairman of the North Korean Science and Technology Federation's Central Committee.

The participants are to present a total of 222 reports in six disciplines, ranging from chemistry, medicine to physics, environment and geography.

At an opening speech, Chong proposed the formation of a tentatively-named "Pan-national joint council of ethnic Korean scientists," and suggested that the next symposium be held in Pyongyang.

Seoul Rejects Journalists Bid To Visit North

SK2108004391 Seoul YONHAP in English 2351 GMT 20 Aug 91

[Text] Seoul, Aug. 21 (YONHAP) - The government has virtually rejected a journalist organization's bid to visit North Korea to attend an international meeting slated for Aug. 21-24 in Pyongyang.

The National Unification Board asked the (South) Korean Federation of Press Unions (KFPU) Tuesday to be "prudent" in the federation's plan to visit North Korea.

As North Korea tries to politically exploit private organizations in South Korea in pursuit of its unification policy, the North's invitation of the KFTU was not pure, the board told the federation.

The federation, embracing all press unions in South Korea, asked Vice Premier and Unification Minister Choe Ho-chung Aug. 17 to support in its bid to attend a meeting of heads of journalist organizations in Asia and Oceania to be beld in Pyongyang.

Economic Exchanges With North To Slow Down

SK2108025791 Seoul YONHAP in English 0122 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—Economic exchanges between South and North Korea were likely to slow down as a result of the ouster of Soviet President Mikhail Gorbachev, a government official said Wednesday.

North Korea Tuesday proposed a new venue for next week's prime ministers' talks in Pyongyang and is expected to put a brake on other forms of inter-Korean contact, the official said.

North Korea only reluctantly answered South Korea's call for dialogue and exchanges under apparent pressure from Gorbachev, and without him the North is likely to shun talks and exchanges, he said.

South Korea had planned to use the Aug. 27-30 prime ministers' talks as a forum to discuss wide-ranging economic topics, including direct deals between the two sides and joint ventures.

"Even if the scheduled talks are shelved, the government will make efforts further to invigorate economic exchanges with North Korea, particularly direct deals. Efforts will also continue to be made to realize joint ventures and cooperation in the tourism sector," he said.

The government would hold to its decision to join the regional endeavor to develop the Tuman River Basin on the tip of North Korea into a special economic zone and to send a group of experts and officials to a regional seminar on the project in Changchun in Jilin Province, Northeast China, from Aug. 27-31, he said.

Inter-Korean trade started in October 1988 and has proceeded via third country agents. By the end of June this year, 134 million dollars worth of goods and materials were exchanged.

The South imported 117 million dollars of zinc, gold, steel, fish, herbal medicines and coal from North Korea, and exported 17 million dollars of high-density polyethlene, vinyl, textiles, high-sulfur gasoline and soap.

Two-way trade was 86 million dollars in the first half of the year (the South imported 73.6 million dollars of materials and goods and sold 12.5 million dollars worth to the North), 12.3 times more than in the same period last year.

For the first time since their division in 1945, South and North recently agreed to swap rice for cement and coal. The South made the first shipment of 5,000 tons of rice to the North last month.

Minister Orders Troops To Strengthen Guard

SK2108032091 Seoul YONHAP in English 0303 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—Defense Minister Yi Chong-ku instructed the Armed Forces Wednesday to strengthen their guard and alertness, saying they needed to be ready in case North Korea tried to use the coup in Moscow as a cover.

In a policy consultation meeting prompted by the ouster of Soviet President Mikhail Gorbachev, a strong supporter of inter-Korean reconciliation and dialogue, Yi said the military should swiftly adjust to changes in the security environment in Northeast Asia in close cooperation with the United States.

There were no signs of unusual troop movements in North Korea, yet, he said.

Defense Ministry officials said measures were being prepared for three possible outcomes in Moscow—success of the coup, failure of the coup and a political settlement.

"It is worth noting that North Korea, unlike with the collapse of communist regimes in Eastern Europe, quickly reported the Soviet incident and called for a change of the venue of the Fourth Round of Inter-Korean Prime Ministers' Talks," one of the officials said.

North Korea on Tuesday asked South Korea to change the venue from Pyongyang to the truce village of Panmunjom, giving a cholera epidemic in South Korea as the reason.

Stalling N-S Talks Linked to Soviet Situation

SK2108101291 Seoul YONHAP in English 0934 GMT 21 Aug 91

["News analysis" by Ko Song-il: "P'yang Shuns Premiers' Talks To Watch Soviet Crisis"—YONHAP]

[Text] Seoul, Aug. 21 (YONHAP)—Pyongyang probably derailed next week's talks between the North and South Korean prime ministers to gain time to analyse unfolding events in the Soviet Union.

Following the coup, it proposed to change the venue and length of the talks. The northerners' fresh proposal had it that the talks be moved from Pyongyang to the truce village of Panmunjom ostensibly because of a cholera epidemic in the South.

Responsible liaison officials of the two sides met Wednesday [21 August] at Panmunjom but failed to compromise on the communist demand, virtually dissipating chances of holding the talks as scheduled.

This was "a ridiculous excuse," a South Korean official said, because it was agreed before the talks ever began that they would be confined to the capitals and because North Korean Prime Minister Yon Hyong-muk had proposed resuming the talks in mid-July.

Pyongyang had called them off in February after three rounds of talks to protest the South Korea-U.S. "Team Spirit" joint military exercise.

The North Korean proposal came out of the blue. Pyongyang had never mentioned the cholera epidemic since it was first reported on Aug. 13 despite several preparatory meetings, neither had it given any indication it intended to stall the talks except for a comment that a trip by two Seoul university students to Pyongyang might affect the talks on Aug. 14.

Experts on North Korean affairs here believe the North's sudden about-face was caused by the Kremlin power struggle, which will decisively affect the direction of North Korean policy.

Pyongyang's recent moves to join the United Nations alongside Seoul and open its nuclear facilities to international inspection were influenced directly or indirectly by Gorbachev.

Pyongyang was apparently hurt when its chief rival and staunchest ally established diplomatic relations last year and when Gorbachev and South Korean President No Tae-u had three summits in eight months.

Encouraged by Gorbachev's ouster, the North is feared to take a new view of inter-Korean relations.

"The Soviet crisis seems to be a boon to the North Korean leaders, who are reluctant to have the talks with the South," an official at the National Unification Board [NUB] said.

The North is seeking to dilute the meaning of the high-level meeting by changing its venue and length, he said. He also said that Pyongyang officials might be trying to tarnish South Korea's image among their citizens by drawing their attention to the cholera epidemic in the South.

NUB officials predicted, however, that the North will resume the talks probably in early October, when Yon is expected to address the United Nations.

Machinery Trade Deficit With U.S. Increases

SK2108025991 Seoul YONHAP in English 0100 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—South Korea's machinery trade deficit with the United States in January-May was 793.8 million U.S. dollars, an almost tenfold increase from a year earlier, the Korea Association of Machinery Industry (KOAMI) said Wednesday.

The deficit for all of last year was 581.6 million dollars.

Korea sold 1.9 billion dollars of machinery to the United States and bought 2.77 billion dollars in the five months.

KOAMI officials blamed increasing demand for sophisticated machinery to automate factories, the weak American economy and rising trade barriers against Korean machinery.

Korea's machinery trade account with America dipped into the red in April last year for the first time and the deficit has shown no sign of being reversed.

In January-May, Korea suffered a record shortfall of 3.14 billion dollars with Japan, followed by 61.5 million dollars with Britain and 49.8 million dollars with Taiwan, KOAMI said.

Seoul Issues First Statement on Soviet Events

SK2108101791 Seoul YONHAP in English 1007 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—The South Korean Government, in its first official comment on the political upheaval in Moscow, on Wednesday [21 August] expressed concern about the Soviet crisis and hoped for a peaceful and quick normalization of the tense situation in Mowcow.

The statement, issued by Information Minister and concurrently government spokesman Choe Chang-yun, said "the government of the Republic of Korea cannot but be deeply concerned about the state of affairs that has been developing in the Soviet Union since August 19 and is closely watching the developments.

"The government hopes that the situation in the Soviet Union will be normalized as quickly as possible in a peaceful manner, without violence or bloodshed. There has been no change in our wish that Soviet policies of reform will be continued."

The official comment also said the South Korean Government will make decisions concerning the implementation of the economic cooperation program for the Soviet Union after studying further developments in that country.

Choe, after releasing the comment, told reporters that the government would maintain close consultations with the United States and other allies in working out and implementing measures to cope with the Soviet situation.

No Chairs Meeting on Soviet Political Crisis

SK2008130291 Seoul YONHAP in English 1229 GMT 20 Aug 91

[Text] Seoul, Aug. 20 (YONHAP)—South Korean President No Tae-u presided over an emergency meeting of relevant ministers Tuesday at his office to discuss ways to cope with the aftermaths of the ongoing political crisis in Moscow.

Presidential spokesman Yi Su-chung said after the meeting that the government decided to continue to closely watch the developments in Moscow and draw up and enact measures necessary to cope with all eventualities. He added the participants of the meeting agreed that the current Soviet situation was "very unstable and complicated."

President No told the emergency session the cabinet should analyze all developments precisely and be fully ready to meet any eventuality, Yi said.

Prime Minister Chong Won-sik, Deputy Prime Minister-Economic Planning Board Minister Choe Kak-kyu, Deputy Prime Minister-Unification Minister Choi Ho-Chung, Foreign Minister Yi Sang-ok, Defense Minister Yi Chong-ku and Director of the Agency for the National Security Planning Su Tong-kwon were present at the meeting.

Yi also said the meeting discussed to need to keep close consultations with allies including the United States with regard to the Soviet crisis.

The government reaffirmed its hope the Soviet Union would push ahead with openness and reform policies, the spokesman said.

Asked to reveal actions conceived by the government, Yi said, "The government does not feel it necessary to determine and make public in detail the measures for the present even though the new developments in Moscow evidently have ample impacts on the security and political situation in the Korean peninsula."

The meeting reportedly focused on the probable impacts the Soviet situation might have on the inter-Korean relations.

On North Korea's abrupt proposal for a change of the venue for the fourth-round high-level talks, Yi said, "The National Unification Board would properly cope with it."

Kim Tae-chung Cancels Trip to Soviet Union

SK2008121291 Seoul YONHAP in English 0846 GMT 20 aug 91

[Text] Seoul Aug. 20 (OANA-YONHAP)—South Korean opposition leader Kim Tae-chung has called off a trip to the Soviet Union because of the political instability there, a spokesman for Kim's New Democratic Party said Tuesday.

Kim will leave on Sept. 17 for Germany and Poland and then hear President No Tae-u address the United Nations General Assembly in New York.

He is to meet German President Richard von Weizsaecker and Polish President Lech Walesa.

Shipping To USSR Not Impacted by Ouster

SK2108025491 Seoul YONHAP in English 0203 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—There has been no impact on Korea-Soviet direct shipping from the ouster of President Mikhail Gorbachev, an official at Korea-Soviet Joint Shipping Co. said Wednesday.

"Until now, there is no change in the amount of cargo, and there is no problem in unloading at Vostochniy or usage of the trans-Siberian railroad," said the official.

The shipping firm, a joint venture between two Korean shipping firms and the Soviet state-run Far East Shipping Co. (FESCO), has had two container services a week between Pusan in Korea and the Soviet Far Eastern Port of Vostochniy since July 9.

On Monday, Samsung Electronics Co. asked Korea-Soviet to ship 12 twenty-foot equivalent units of electronic goods to the Soviet Union, and on Tuesday, Lucky-Goldstar International Corp. gave an order to ship eight teus of half-made television sets, he said.

FESCO's 320-teu vessel the Capitan Gnezdilov, which docked in Pusan on Monday, will head for Vostochniy on Wednesday afternoon as scheduled, he said.

The 420-teu trade luck of Korea-Shipping Co. will leave Pusan for Vostochniy on Friday or Saturday, he added.

Exports to USSR Not To Reach Projected Level

SK2108030191 Seoul YONHAP in English 0036 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—South Korean exports to the Soviet Union are unlikely to reach 500 million U.S. dollars this year, half the projected level, due to the ouster of President Mikhail Gorbachev, Trade and Industry Ministry officials said Wednesday.

The Soviet Union was expected to buy at least 500 million dollars of consumer goods using tied loans, and general exports were seen to be around the same level, but now the outlook is bleak, the officials said.

Exports in the first half of the year were just 214 million dollars, however, and the 1991 total is expected to fall short of 500 million dollars.

The officials said a drop in exports to the Soviet Union would mean a drop in overall exports, and predicted imports would slow down too.

During the first half, Korea imported 310 million dollars of non-ferrous metal and fisheries products, up 86.2 percent over the same period last year.

If the turmoil in the Soviet Union is prolonged, Korean importers may look for new sellers, the officials said.

The government will soon inquire about the final list of consumer goods to be exported on the tied loans, in talks in May, the two countries failed to set the volume of electronic parts and footwear to be shipped.

Containers, textiles and some other items will be added to the final list, the officials said.

Consumer goods worth 84 million dollars were scheduled for shipment to the Soviet Union this month, but their departure may be indefinitely postponed.

The Korea Trade Promotion Corp. has delayed shipment of goods and equipment for a Korean trade fair in Moscow Oct. 24-28. They were to go this week.

Uncertain USSR Situation Threatens Exports

SK2108044191 Seoul YONHAP in English 0247 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—The uncertain situation in the Soviet Union following the ouster of Soviet President Mikhail Gorbachev threatens to delay shipment of South Korean goods, hitting hardest manufacturers who have already filled orders or purchased materials, industry sources said Wednesday.

Even short delays in shipment will land manufacturers with unplanned storage costs and deepen their financial plights by keeping much-needed money tied up in goods and materials.

General trading companies are considering asking subcontractors to halt production or are not placing orders as they expect Korea to go along when the Western nations, including the United States, enforce their suspension of aid to Moscow, the sources said.

Daewoo co. last week asked one of its affiliates, Shinsung Co., to suspend operation of a textile line and Sunkyong ltd. [SKC] gave an urgent order for SKC to stop production of components for color television sets.

Samsung co. has finished about 15 percent of an order valued at 62.7 million U.S. Dollars and placed large orders for materials with suppliers.

Most general trading companies had expected exports to the Soviet Union to pick up late this month, the sources said.

Exports to Soviet Union To Plummet 23 Percent

SK2108071391 Seoul YONHAP in English 0636 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—South Korean exports to the Soviet Union will plummet 23 percent to 400 million U.S. dollars this year from 519 million dollars last year, the Korea Trade Promotion Corp. (KOTRA) said Wednesday.

A shortage of foreign exchange and the suspension of economic aid by the West would make it impossible for Korean firms to achieve the export goal of 1.1 billion dollars, KOTRA said.

Korea, in support of its Western allies, is likely to withhold a scheduled 800 million-dollar bank loan to the Soviet Union.

Korea's exports to the Soviet Union in the first half increased 6.7 percent to 214 million dollars from 201 million dollars in the same period last year.

Seoul Considers Suspending Soviet Economic Ties

SK2108062291 Seoul YONHAP in English 0600 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—The South Korean Government is officially silent on the ouster of Soviet President Mikhail Gorbachev, but privately is cautiously considering suspension of economic cooperation with Moscow, government sources said Wednesday.

It also was considering temporary suspension of official contact between Seoul and Moscow, the sources said.

A government delegation failed to leave on schedule for bilateral fisheries talks Friday in Moscow and the reason seemed to be related to other countries' suspension of their commitments to the Soviet Union.

A fisheries administration official said earlier in the day that departure of the delegation was postponed due to a Soviet demand for revision of a draft initialed in January.

Prospects are also dark for the second Seoul-Moscow policy consultations and establishment of a science and technology cooperation center next month, they said.

An inter-ministerial conference is due soon to analyse the political situation in the Soviet Union and work out countermeasures, they said.

Banks Stop Draft Discounts Endorsed by Soviets

SK2108025691 Seoul YONHAP in English 0156 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—Korean banks have stopped discounting drafts to be endorsed by Soviet banks because of the chaotic Soviet situation following the ouster of President Mikhail Gorbachev, financial sources said Wednesday.

Korea Exchange Bank ordered its branches to stop negotiations on drafts issued by Korean firms trading with the Soviet Union.

A bank official said the decision was made because Soviet banks were likely to be incapable of paying.

Other Korean banks have instructed their overseas branches not to deal with Soviet banks and to report previous dealings with Soviet banks.

Fisheries Agreement With Soviet Union Postponed

SK2108063791 Seoul YONHAP in English 0509 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—A South Korea-Soviet fisheries agreement will not be signed Friday in Moscow because Seoul's 10-member delegation has postponed its departure.

The agreement was to have opened some areas of Soviet seas including Kamchatka Bay to Korean vessels.

A fisheries administration official blamed the postponement on a Soviet demand for revisions to the draft initialed in January, not the ouster of Soviet President Mikhail Gorbachev.

The two nations established diplomatic relations in September 1990, ending decades of hostility, and signed a number of economic agreements but not a fisheries pact.

Dailies View Gorbachev Ouster as Great Shock

SK2108061991

[Editorial Report] Seoul vernacular newspapers all published editorials on 20 August on the "ouster" of Soviet President Gorbachev.

The conservative CHOSON ILBO on page 3 carries a 1,100-word editorial entitled "Is the Soviet Union Going Backward?" Pointing to the world people's "affirmative appraisal" of Gorbachev's policy for reform, the paper expresses "shock and anxiety" over his losing power before finishing his tenure. The paper predicts that the "complete overthrow" of perestroyka will be difficult since it has permeated among the Soviet people for 6 years. It expresses the hope that "all policies, including disarmament" pledged by Gorbachev will be "continuously pushed ahead" because Soviet policy, which has enormous influence on global history, is not just a policy of the Soviet Union.

HANGUK ILBO on page 2 carries a 2,000-word editorial entitled "Where Is the Soviet Union Heading?" Noting that Gorbachev was "ousted" by a "political coup" headed by the KGB and military leaders, the centrist newspaper expresses "deep concern and disappointment" over Gorbachev's "ouster" and the "checking" of his perestroyka. Although the "removal of Gorbachev" may be successful, the paper says, the Soviet conservative faction's overcoming of "economic confusion and division" is "unclear." It calls for "keeping step with our allies, including the United States."

The pro-government SEOUL SINMUN on page 2 carries a 1,000-word editorial entitled "Shock of Gorbachev's Ouster." Describing what went on in the Soviet Union as "a coup through collaboration between the communist hard-liners and military hard-line faction," the paper laments that a "serious brake" will be applied to Soviet "reform." The editorial concludes by expressing hope for the "stability and continuous progress in orderly reform" in the Soviet Union.

KYONGHYANG SINMUN on page 3 carries a 2,000-word editorial entitled "Great Shock Given by Gorbachev's Ouster." Expressing concerns about a "counter-perestroyka" movement after the "shift of power" in the Kremlin, the pro-government paper calls Gorbachev's "ouster" a "great serious event causing unrest and concerns" of not only the Soviet Union but international society. It predicts a "big change" in Soviet domestic and foreign policies and asks what relations will be established between the new Soviet leadership and China, Vietnam, Cuba and North Korea, who have not abandoned the "traditional line" of Marxism-Leninism. Noting that the Soviet reformist line may face temporary "vicissitudes" but cannot be canceled, the paper calls for efforts to further develop ROK-USSR relations.

The liberal TONG-A ILBO on page 2 carries a 1,200-word editorial entitled "Soviet Coup Shocks the World." Describing Gorbachev's "ouster" as "frustration of the time," the editorial warns that human rights and freedom are being infringed in the Soviet Union and "the era of dictatorship" is being reopened. The paper criticizes the "conservative hard-liners" for attempting to preserve their "vested rights" on the pretext of "national crisis." International public opinion views negatively the new Soviet leadership and deplores the "reckless adventurism" taking place in the Soviet Union, TONG-A ILBO contends. Expressing concern over "the possibility of breaking the new international order of reconciliation and cooperation" created during Gorbachev's era, the paper stresses that the new Soviet leadership will be held responsible if that happens.

The centrist CHUNGANG ILBO on page carries a 2,000-word editorial entitled "The World After Gorbachev Will Evoke Anxiety." Reviewing the various causes for Gorbachev's "ouster," the paper says Gorbachev's "unfortunate political life" will not simply end in personal "tragedy" but will have "enormous impact" on the international arena. The recent "coup" could lead to "dangerous" relations between the Soviet Union and the Western countries, it says, expressing concerns over the situation's "influence" on the Korean peninsula and Soviet policy on the ROK.

Business Group To Explore Economics With PRC

SK2108035391 Seoul THE KOREA TIMES in English 21 Aug 91 p 8

[Text] A delegation of Korean small-and medium-sized businesses will leave today for China to explore the expansion of economic ties between Seoul and Beijing.

The delegation, headed by Korea Federation of Small Business (KFSB) chairman Hwang Song-min, will visit Beijing, Tianjin, Shenyang and Harbin Aug. 21-31 in its bid to promote trade and investment activities between small companies of both countries.

Hwang, on behalf of KFSB, plans to exchange an accord of business cooperation with CICASME (China International Cooperation Association of Small and Medium Enterprises) under the wing of the State Planning Board.

The delegates include representatives from a variety of Korean industrial cooperatives.

During their stay in China, they will conduct on-spot inspections of some Chinese major industrial complexes while looking into investment conditions there, KFSB said.

Firms Investing in PRC Prefer Investment

SK2108042591 Seoul THE KOREA ECONOMIC JOURNAL in English 19 Aug 91 p 12

[Text] Korean firms wanting to invest in China are showing increasing preference for 100 percent independent investment rather than establishing joint ventures with local partners.

Of the 35 firms which made investments in China during the first half of this year, 19 were independent investors.

As recently as last year, most Korean investors in China had wanted to make joint investments in order to obtain easy procurement of land and raw materials.

The changed investment method is due to difficulties in dividing investment ratio and profits, coupled with the lack of enthusiasm of the Chinese partners.

In fact, several Korean firms which already made investments in China jointly with Chinese partners, including Young Chang Akki, either are reportedly seeking other Chinese business partners or considering turning to independent investments because of the erratic businesses with their partners.

The improving investment environment provided to independent investors is another major reason. They currently can collect for themselves enough information needed for investment in China including knowledge of the Chinese foreign exchange administration and taxational system.

In addition, the Chinese legal system is reportedly becoming more advantageous to independent investors.

Japan's Help Sought in Bringing on Korean Talks

SK2108060591 Seoul YONHAP in English 0502 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—South Korea will soon ask Japan to press North Korea not to delay or disrupt inter-Korean dialogue because of the chaotic Soviet situation caused by the ouster of Soviet president Mikhail Gorbachev, a government official said Wednesday.

"The government believes progress in inter-Korean dialogue is the most important precondition for the North Korea-Japan negotiations on normalizing relations. The government will ask Japan to fully consider if North Korea is trying to delay the dialogue by capitalizing on what has happened in the Soviet Union," he said on condition of anonymity.

On Tuesday, Pyongyang proposed changing the venue for the fourth round of prime ministers' talks from Pyongyang to the truce village of Panmunjom.

It said the change was needed because of the cholera epidemic in the South, but Seoul saw it as the forerunner of many more postponements of contacts triggered by Gorbachev's fall.

Under Gorbachev, the Soviet Union, a major ally of North Korea, normalized diplomatic relations with South Korea last year and pressured the North to approach the South through dialogue.

Seoul would also advise Tokyo of its position that Pyongyang should still sign the Nuclear Safeguards Accord of the International Atomic Energy Agency, he said.

If the Soviet crisis drags on or escalates, Seoul may seek policy consultations with Japan and the United States, he added.

Firms Use Cheap Labor To Produce Goods in SRV

SK2108035291 Seoul THE KOREA ECONOMIC JOURNAL in English 19 Aug 91 p 13

[Text] Vietnam's economic reform policy and abundant low-cost labor are encouraging Korean companies suffering from labor shortages to seek new business opportunities in that Southeast Asian socialist country.

Because relations are not yet normalized between Korea and Vietnam, the business opportunities for Korean firms in Vietnam are currently quite limited. Businesses available to Korean firms are the use of cheap Vietnamese labor to make chiefly light industrial products on a contract basis and less-than-$10 million joint ventures in limited manufacturing and service industries.

At present, 17 Korean firms are making bags, tents, socks, wearing apparel and footwear on a contract basis in Vietnam. In April Lucky-Goldstar started producing T-shorts and other textile goods in Ho Chi Minh City for export to Korea and Europe. It plans to increase its Vietnamese production from $3 million worth this year to $5 million next year.

Other Korean firms operating on a contract basis in Vietnam include Daewoo, Kolon, Hyodong Industries, Segye, Dori Trading, Sambo Trading, Kunyong, Hyupjin Enterprise, Samdo Trading, Suhwoo, Yoojin, Handuk and Yongpoong.

These firms using cheap Vietnamese labor are competing with such Japanese firms as Nissho-Iwai, Mitsubishi and Nichimen, and firms from Taiwan, Hong Kong and France.

Unlike direct investment which requires complicated approval procedures, contract-based production of light industrial goods is the best business opportunity for Korean firms in Vietnam because it can use cheap Vietnamese labor and because it has no supply problem of raw materials, according to Korean firms operating in Vietnam.

The next best opportunity for Korean firms wishing to operate in Vietnam is through joint ventures. The Vietnamese government has so far allowed four Korean firms to set up eight joint ventures in the machinery, silk, tobacco, hotel, automobile parts and lumbering industries.

Noteworthy is that Seayang International has obtained approval for the three joint venture projects; one for building a $2.5 million to tobacco factory with its equity investment of $1.5 million, another for building a $960,000 hotel with its investment of $480,000 and the other for building a $10 million automobile parts plant with its investment of $7 million.

A group of 10 small-and medium-sized textile firms in Taegu sent a mission to Ho Chi Minh on Aug.7 for a survey of the Vietnamese city's investment environment. Suffering from labor shortages, these firms are looking forward to new business opportunities, either joint ventures or contract-based production, in Vietnam.

To prepare for direct exports to Vietnam after relations are normalized with that country, 15 Korean trading firms have already opened branch offices in Vietnam, including Lucky-Goldstar and Ssangyong Corp. which opened their branches earlier this year. In addition, manufacturing firms, including Goldstar, Samsung Electronics and Pohang Iron & Steel Co., are preparing to open their sales outlets in Vietnam.

Porcelain Factory Venture To Begin in Indonesia

SK2108030291 Seoul YONHAP in English 0107 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—Hanguk Chinaware Co. of South Korea, a manufacturer of ceramics, recently joined hands with an Indonesian firm to build a porcelain factory near Jakarta, a Hanguk official said Wednesday.

The Korean company will put 8 million U.S. dollars into the 80-20 joint venture with Indonesian footwear maker Pt Dongjo To establish a locally incorporated company, Pt Hanguk China Indonesia.

Pt Hanguk will start construction of the factory on Friday on a lot covering about 50,000 square meters. It will have a floor space of about 10,000 square meters and be dedicated in mid-March next year.

Nigeria Agrees To Open Direct Telephone Link

SK2108090891 Seoul YONHAP in English 0811 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—South Korea and Nigeria agreed Tuesday to open a direct telephone link at the earliest possible date and expand telecommunications services, the Communications Ministry said Wednesday.

The agreement came in a meeting between Communications Ministers Song On-chong of Korea and Olawele Ige of Nigeria, a Ministry spokesman said.

The ministers agreed to make every effort to strengthen cooperation for the development of telecommunications in both countries, he said.

They emphasized the need for Samsung Electronics Co. and other Korean companies to take part in the expansion and modernization of Nigeria's telecommunications network, he added.

No Challenges Ministry To Upgrade Technology

SK2108030491 Seoul YONHAP in English 0220 GMT 21 Aug 91

[Text] Seoul, Aug. 21 (YONHAP)—President No Tae-u instructed the Science and Technology Ministry Wednesday to prepare a blueprint in consultation with other government agencies by the end the year for raising Korean Science and Technology to the level of the seven advanced nations in the next century.

"The science and technology drive, like the export drive of the 1960's and 1970's, should be made for self-reliance in science and technology," No was quoted as saying.

Worldwide strengthening of technology protectionism and moves toward internationalization and openness meant the only way for Korean industries to survive was technology renovation, he said.

Research institutes, backed by the government, should put their studies to practical use, and universities should stick to fundamental and general studies, No said.

He made the remarks after being briefed on government-invested research institutes by Sim Tae-pyong, chief of the Office of Administration Coordination of the prime minister's office.

No Tae-u Sets Economic Tasks at Report Session

SK2108032491 Seoul THE KOREA TIMES in English 21 Aug 91 p 2

[Text] President No Tae-u yesterday instructed the administration to place top priority on stabilizing prices in implementing economic policies for the last four months of the year.

No listed improving international competitive power of the manufacturing business as one of the top tasks the government should carry out for the same period.

In a report session to evaluate the results of policy implementation at Chongwadae, the President also said that speculative investment in real estate must be uprooted, so that the money for such an anti-social behavior can be used in productive ways.

When the speculation in apartment and land is eliminated, the people will be able to trust the government's economic policies, he said.

The report session was participated in by all Cabinet members and senior presidential secretaries.

No told the national police to show a new look to the people on the occasion of the inauguration of the National Police Administration by devoting themselves to eradicating crimes.

Noting that unification is not a sort of things that may take place after "a long time," No told the Cabinet to work out plans to prepare for the unification in close cooperation among ministries and to make active publicity of the government unification policies.

During the session, Deputy Prime Minister-Economic Planning Minister Choe Kak-kyu said that the trade deficit of the year is expected to hit $5-6 billion against an earlier estimate of $3 billion due to the increase in imports of oil and overheated construction boom.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Fears Soviet Return to 'Old Ways'

BK2008064091 Kuala Lumpur Voice of Malaysia in English 0600 GMT 20 Aug 91

[Text] Malaysia expressed concern if the Soviet Union returned to its old ways it could have serious repercussions for the peace and stability of the world. Prime Minister Datuk Sri Dr. Mahathir Mohamed said Malaysia regretted the action if the new Soviet regime reverses the process started by Gorbachev.

West 'Partly To Blame' for Gorbachev's Downfall

BK2008080091 Kuala Lumpur BERNAMA in English 0728 GMT 20 Aug 91

[Text] Kuala Lumpur, Aug 20 (OANABERNAMA)—Malaysia will monitor developments in the Soviet Union before making any decisions on its relations with that country, Prime Minister Dr. Mahathir Mohamed said Tuesday.

"We will watch," he told reporters here when asked about the status of Malaysia's relations with the Soviet Union following the ouster of President Mikhail Gorbachev Monday.

The prime minister said the Western countries were partly to blame for the overthrow of President Gorbachev for failing to give full support to the reforms undertaken by the Soviet leader.

"To a certain extent, the West should be blamed because they are more intent on what they call democracy rather than to help the Soviet Union get the benefit of a free market system," he said here.

Dr. Mahathir said a free market system was not easy to implement, especially in the Soviet Union which had been under Communist rule for more than 70 years.

He added that the Soviet Union faced problems in this area because it did not have the capital, know-how, management expertise and the enterprises.

He said: "Everybody is bent upon getting the most out of Russia rather than to rehabilitate its economy.

"And, because the economy has failed under the present system, it gives room and reason for the conservatives or the hardliners to stage a comeback now because the credibility of Gorbachev is gone."

The Western powers were more keen to impose various legislations to dismantle the Communist system, rather than to help the Soviet Union despite Gorbachev being humble enough to try to have a close rapport with them, he added.

In view of the cold response by the West to Gorbachev's efforts, the Soviets were frustrated thus resulting in the coup, he said.

"Seeing (that) Gorbachev was very daring to abolish the Communist system, the Western powers should have given full assistance to Russia," he added.

Minister, USSR Envoy Discuss USSR Changes

BK2108043691 Kuala Lumpur BERNAMA in English 0332 GMT 21 Aug 91

[Text] Kuala Lumpur, Aug 21 (OANA-BERNAMA)—Malaysia will continue to monitor carefully developments in the Soviet Union to enable it to make any necessary adjustments to its policy concerning the republic, Foreign Minister Abdullah Ahmad Badawi said Wednesday.

Malaysia's diplomatic ties with the Soviet Union were normal and "we hope the Soviet Union will not reverse this," he told reporters after receiving Soviet Ambassador A.I. Khmelnitskiy.

Earlier, the ambassador briefed Abdullah on developments in the Soviet Union following news that hardline communists had overthrown President Mikhail Gorbachev.

Abdullah said that Malaysia was concerned with what was happening in the Soviet Union as events there had great implications for the world situation, especially on peace, politics, and economy.

He also acknowledge the positive contribution Gorbachev had made towards world peace in playing an important role in easing the East-West tensions.

Japan Urged To Represent East Asia in G-7

BK2008080191 Kuala Lumpur Voice of Malaysia in English 0600 GMT 20 Aug 91

[Text] Malaysia today proposed that Japan be the representative of countries in the East Asia region in the group of seven industrialized nations, G-7. The proposal came from Deputy Prime Minister Mr. Ghafar Baba. Japan is the only country in the region, which is a member of G-7. He urged Japan to understand the aspirations of countries within this region, so that it could represent them in a more meaningful manner. He was speaking to reporters after witnessing the signing of a memorandum of understanding between Universiti Malaya and Yokogawa Electric Corporation of Japan in Kuala Lumpur today.

Mr. Ghafar called on Japan to bring up problems facing Third World countries in the coming G-7 meeting. According to him, Japan can use the proposed East Asia economic grouping as a negotiations forum before attending the G-7 meeting.

Petronas To Form Consortium With Japanese Oil

BK2008120191 Kuala Lumpur BERNAMA in English 0930 GMT 20 Aug 91

[Text] Kuala Lumpur, Aug 20 (OANA/BERNAMA)—The Malaysian National Oil Corporation (Petronas), together with Japanese and local consortia of companies, have agreed to set up a new privatised monopoly to distribute natural gas in peninsular Malaysia.

Petronas, the Tokyo Gas Co Ltd-Mitsui & Co Ltd Consortium and Malaysia Mining Corporation Bhd (MMC)-Shapadu Corporation Sdn Bhd Consortium Tuesday signed a letter of intent to create a new public utility company to implement in stages the peninsular Malaysia gas distribution system to cater for 17 communities or urban centres. MMC is chiefly involved in the mining of tin and other minerals while Shapadu corporation is involved mainly in highway construction.

Speaking to newsmen after the signing, MMC group chief executive Ibrahim Menudin said MMC would have a 55-percent stake in the joint venture, the Japanese consortium 25 percent and the local consortium 20 percent.

He said the investment outlay for the project to distribute gas to industrial, commercial and residential sectors was likely to involve some M$100 million (about U.S.$36.36 million) to M$800 million (about U.S.$291 million) spread over 10 years.

Chief Secretary to the government Ahmad Sarji Hamid, who officiated at the signing ceremony here, said Malaysia aimed to reduce its dependence on oil to 52 percent of commercial energy supply during the Sixth Malaysia Plan (1990-1995), from 59 percent last year and 71 percent in 1985.

Dependence on gas will rise to 39 percent under the Sixth Plan from 27 percent last year and 19 percent in 1985, Ahmad Sarji said.

Petronas President and Chief Executive Azizan Zainul Abidin signed for the national oil corporation, while MMC/Shapadu was represented by Ibrahim and Tokyo Gas/Mitsui by Tokyo Gas Executive Vice-President Yoichi Akiyama.

Ibrahim told newsmen the joint-venture agreement was likely to be concluded by December this year or January next year and the project was likely to take off within two years.

Azizan said the gas would either be supplied through a pipeline system or, where a pipeline is not viable, in the form of liquefied petroleum gas in cylinders and tanks, on completion of the ongoing phase II of the M$7 billion (about U.S.$2.54 billion) Peninsular Gas Utilisation (PGU) project.

Azizan said Petronas was supplying gas to the national electric corporation, Tenaga Nasional Bhd's power stations under the PGU II project and that the sector to the southern Johor Bahru town would be completed in October.

"We will be able to supply gas—under an agreement signed between Malaysia and Singapore last year—to the republic from the PGU II in mid-February next year," he added.

Asked whether the two consortia were subjected to any specific period of concessions in operating the privatised monopoly, Azizan said the arrangement would be on a permanent basis.

Azizan said Petronas received several bids for the project, but MMC and Tokyo gas were selected after careful analysis. "MMC is a public-listed company and a member of the Permodalan Nasional Bhd [National Investment Board] group, while Tokyo gas is a large natural gas distribution company in Japan and has been in the business for over 100 years," he added.

"We have known Tokyo Gas for more than 12 years through its involvement in the Bintulu-based Malaysian liquefied natural gas project in Bintulu (in the East Malaysian Sarawak state)."

Akiyama said Tokyo Gas would draw upon its vast reserves of technology, know-how and experience accumulated over 106 years of operation since its foundation in 1885 to lead the project to success. He also noted that Japan had been importing lng from Petronas for more than eight years since 1983.

Commentary Lauds Business Venture With Vietnam

BK2008121391 Kuala Lumpur BERNAMA in English 0800 GMT 20 Aug 91

[Station commentary]

[Text] Malaysian businessmen are becoming increasingly aware of the oportunities and benefit in investing in projects in other developing countries. The latest to launch a business venture abroad is Safura Holdings now making its mark in Vietnam's public telephone service.

The project was officially launched in Ho Chi Minh City on Thursday by Malaysia's Minister of International Trade and Industry Datuk Sri Rafidah Aziz and the Ho Chi Minh People's Committee First Chairman Nguyen Van Quan. It is jointly undertaken by Safura's subsidiary company Uniphone and Ho Chi Minh's Post and Telecommunications authorities.

Although the initial six-month project may be viewed as being relatively small involving only 50 firms at present, there is tremendous potential. Located in strategic spots, these firms have already attracted much interest and response from the Vietnamese. The Uniphone cards are reported to be enjoying a brisk sale. Encouraged by this initial success, Safura has already embarked on plans to expand its operations in Vietnam and has set up Safura-Vietnam to coordinate all its activities in that country.

Now that a Malaysian company has ventured into the Vietnamese market and established a base, the way has been paved for other Malaysian companies to go into business activities there. And there are ample opportunities readily available. Vietnam is currently paying emphasis on efforts to rebuild the country and its economy. Towards this direction, it has taken the stance to expand and diversify its economic relations with all countries—especially in Southeast Asia.

There is now a growing demand in Vietnam for food and consumer products, building materials, and capital goods. Malaysia's private sector is being encouraged to penetrate the Vietnamese market and take advantage of the opportunities offered—especially in the supply of basic commodities and amenities for the immediate needs of that country.

Political and economic analysts everywhere are viewing the recent promotion of the reform-minded Vo Van Kiet to the post of Vietnamese prime minister as a definite boost for Vietnam's progress toward a more market-oriented economy. And as Datuk Sri Rafidah Aziz has predicted, when markets such as Vietnam open up to trade it is a certainty that many countries would be looking towards exploiting the opportunities.

Malaysia has the skills and experience in specific areas, especially in manufacturing operations. This expertise combines with Vietnam's low labor costs can be applied effectively in the establishment of various projects for the two countries' mutual advantage and benefit.

There is confidence that the visit last week of the Malaysian minister and her delegation to Vietnam will lead to the fostering of closer bilateral and economic relations and wider trade ties between the two countries.

Minister on Helping SRV Economic Development

BK2108073491 Kuala Lumpur BERNAMA in English 0351 GMT 21 Aug 91

[Text] Kuala Lumpur, Aug 21 (OANA-BERNAMA)—Malaysia will help Vietnam to formulate policies which will assist the country in its economic development.

Malaysian Finance Minister Anwar Ibrahim said Malaysia would also provide advice on taxation and banking.

He said Malaysia had agreed to help in response to a request by the prime minister of the Socialist Republic of Vietnam, Vo Van Kiet.

Anwar was speaking to newsman in Hanoi after a 45-minute discussion with Vo on cooperation between the countries. He is in Vietnam to attend an international symposium on Vietnam's new course and ASEAN experiences.

Anwar also added that Malaysia would provide whatever possible assistance to help Vietnam develop rapidly. This is in line with Malaysian Prime Minister Dr. Mahathir Mohamed's call for closer economic cooperation between the two countries.

Official: Mideast 'Very Important' Timber Market

BK1908155191 Kuala Lumpur BERNAMA in English 1046 GMT 19 Aug 91

[Text] Kuala Lumpur, Aug 19 (OANA-BERNAMA)—Malaysia will depend on its brotherly ties with fellow Islamic countries in West Asia to thwart attempts by environmentalists to sabotage Malaysia's timber trade, Deputy Primary Industries Minister Tengku Mahmud Mansur said Monday.

He told a news conference here that fortunately, West Asian countries have high regard and respect for Malaysia, and "feelings of animosity, if any, are minimal".

The impact of the global protest against Malaysia's timber trade, launched by environmentalists claiming to be serious about saving the rainforests, was being felt more in the United States, Australia and Europe, he added.

Nevertheless, he would take advantage of the 19-day timber technical and promotion mission he will be leading to West Asia from Tuesday to enhance Malaysia's "brotherhood relationship" it enjoys with those Islamic countries.

His 17-member Malaysian delegation will visit the United Arab Emirates, Saudi Arabia, Iran and Turkey, beginning Tuesday.—more

Asked whether the mission was part of Malaysia's efforts to seek new and expand existing timber markets in the wake of the global assault on Malaysia, he said: "There may be some connection." The mission will seek markets for Malaysia's timber products as well as possible timber-based joint ventures.

Tengku Mahmud said Malaysia regarded the Middle East as a very important market for Malaysian timber and timber products, particularly Iran, which has launched a five-year plan to develop its economy. These products are also exported through third countries, particularly Singapore.

Last year, Malaysia sold to West Asia countries some M$159 million (about US$58 million) worth of sawntimber and M$64 million (about US$23 million) worth of plywood.

UMNO Official Says 200,000 To Join in Sabah

BK2008075291 Kuala Lumpur NEW SUNDAY TIMES in English 18 Aug 91 p 7

[Text] Kuala Lumpur, Sat.—About 200,000 people, most of them former USNO [United Sabah National

Organization] members, have joined UMNO [United Malays National Organization], said the pro-tem head of Sabah UMNO Youth [Movement] Railey Haji Jeffrey.

He said that membership drive was still going on and he expected more Sabahans, especially former members of Berjaya [Sabah People's Union] to join UMNO soon.

He added that plans for the formation of 20 divisions had been finalised while branches were now being formed.

By April next year, he said Sabah UMNO would be ready for the first divisional and branch meetings.

He said that all the initials problems faced by Sabah UMNO have been solved and it was now going ahead with all of its plans without any hitches.

Speaking to reporters after launching the Mayban Finance Youth Camp at Angkasapuri today, he said that Sabah UMNO Youth [Movement] would have its first meeting on Aug 28.

"The main topic on the agenda is the formation of branches and steps to be taken to foster better relationship and cooperation with other Barisan Nasional [National Front] (BN) component parties."

Bidong Refugee Camp To Close in Sep

BK2008092591 Kuala Lumpur NEW SUNDAY TIMES in English 18 Aug 91 p 1

[By Azmi M. Anshar]

[Text] Petaling Jaya, Sat.—Pulau Bidong, the main Vietnamese refugee transit camp off the coast of Terengganu, is being emptied and will be officially closed in a month.

The 11,000 refugees are being moved to the Sungai Besi camp, outside Kuala Lumpur. The transfer, expected to be completed in a month, began last week following a Cabinet decision.

Deputy Prime Minister Abdul Ghafar Baba said today Pulau Bidong, which would be returned to the Terengganu Government, would be jointly developed by the State and Federal Governments into a resort.

Malaysia had accused the Western nations of dragging their feet in solving the problem and had wanted to close the Pulau Bidong camp last April.

Encik [Mr.] Ghafar said Malaysia would not accept any new arrival.

The Sungak Besi camp, which has a capacity for 14,000 refugees, now has about 3,000 Vietnamese.

"The island will no longer take in new refugees," he told reporters after launching the Federated Teochew Association's 57th anniversary celebrations and the centenary of the Teochew Society of Selangor and Kuala Lumpur at Subang Jaya here.

However, Encik Ghafar did not say what would be the fate of the refugees after they have been transferred to Sungai Besi.

It is understood some are waiting to be accepted by third countries while the fate of most of the rest is still uncertain.

Some have voluntarily opted to return Vietnam and are awaiting repatriation. But the process of repatriation has been painfully slow. Since 1989, only about 600 had been voluntarily repatriated.

Pulau Bidong has been a transit camp since 1975 following the defeat of the Americans in Vietnam. After the fall of Saigon, boat-loads of Vietnamese left their country hoping to find new homes in Europe and the United States.

They landed on the shores of Malaysia and other neighbouring countries and were held in the so-called transit camps pending their settlement in third countries.

But the pace of resettlement slowed down and Malaysia and her neighbours, referred to as countries of first asylum, began to fear that they were being left with residues.

In 16 years, more than 254,000 boat people passed through Malaysia.

At its peak, in 1979, Pulau Bidong had about 45,000 boat people.

In 1988, Malaysia served notice that its open shore policy, declared on humanitarian grounds, would be ended while the "cut-off" date, endorsed at the International Conference on Indochinese Refugees (ICIR), was on March 14, 1989.

Under screening conditions imposed by ICIR, boat people arriving in first asylum countries like Malaysia before the cut-off date were guaranteed resettlement in third countries but those who landed after the date were "screened" to determine whether they were political refugees or economic migrants.

Earlier, Encik Ghafar hit out at Western double standards in maintaining silence on the plight of the Albanian refugees forcibly repatriated by the Italian Government.

He said when Malaysia tried to repatriate refugees, the Government was severely criticised.

Economic Growth Slows Down in First Quarter

BK2108094691 Kuala Lumpur BERNAMA in English 0334 GMT 21 Aug 91

[Text] Kuala Lumpur, Aug 21 (OANA-BERNAMA)—The Malaysian economy slowed down in the first quarter of this year with real gross domestic product growing at an annual rate of 7.7 percent against 8.4 percent in the final quarter of last year and 11.8 percent in the same period of 1990, the Central Bank, Bank Negara, said here.

In its latest quarterly bulletin released Tuesday, the bank added that this was the result of a continued slackening of the agriculture sector and the slower growth of the manufacturing and construction sectors.

Growth was recorded in all sectors of the economy except in agriculture, it said, adding that the growth momentum, particularly for the manufacturing, construction, and services sectors eased somewhat during the period.

The manufacturing production index, which measures the growth of manufacturing output, moderated to 15.5 percent from 20 percent in the last three months of 1990. The slowdown reflected lower output in almost all the export-oriented and domestic market-oriented industries, Bank Negara said.

The Central Bank said demand side indicators like private consumption and investment pointed to a moderation of growth in the private sector in the first quarter.

The increase in sales of passenger cars saw an annual growth of 17.7 percent while sales tax collected moderated to 24.5 percent. Similarly, loans extended by the banking system for consumption purposes was lower at 8.4 percent but imports of consumption goods rose more rapidly by 26.8 percent.

Private investment indicators were mixed during the period. The government agency, Malaysian Industrial Development Authority (MIDA), received 153 applications for manufacturing projects with proposed capital outlays of M [Malaysian] $7.4 billion (U.S $1: M $2.77) against 481 applications valued at M $19.7 billion in the last quarter of 1990.

However, results of the industrial trends survey conducted jointly by Bank Negara and MIDA in January this year showed that the projected capital outlays by the firms surveyed would increase by 182.2 percent in the first half of 1991 against 193.5 percent in the preceding half.

The Central Bank said the strong expansion in investment was translated into higher imports of capital goods, expanding further but at a slower annual rate of 50.8 percent in the first quarter. Sales of commercial vehicles, however, slowed down to 22.2 percent during the quarter under review.

The total public debt of the federal government fell marginally by 0.8 percent to M $94 billion at the end of March, reflecting a small decline in both the domestic and external debt.

The domestic debt was marginally lower at M $69.8 billion or 74.3 percent of the total debt outstanding. The external debt, however, fell 2.3 percent or M $574 million to M $24.2 billion at the end of March as a result of the continued repayment of loans while the strengthening of the ringgit against the major currencies also reduced the debt outstanding.

Bank Negara said the ringgit appreciated against the official composite by 0.6 percent and the major non-dollar currencies in the first quarter of this year as a result of a strengthening of the U.S dollar in the international foreign exchange markets. But the ringgit depreciated moderately against the dollar by 0.7 percent from the average level in the preceding quarter.

In view of the strong dollar, the ringgit appreciated against the Singapore dollar by 0.5 percent, the deutschmark (1.1 percent), pound sterling (1.2 percent), yen (1.7 percent) and Swiss franc (1.9 percent).

As for the balance of payments, Bank Negara said Malaysia's trade account recorded a substantial deficit of M $1.8 billion in the first quarter compared with surpluses of M $245 million in the last quarter of 1990 and M $716 million in the same quarter of 1990.

The deficit reflected the sharper increase in gross imports relative to exports. Exports grew by an annual rate of 20.6 percent to M $21.6 billion in the quarter but imports rose by 35.9 percent to M $23.4 billion.

Bank Negara said its net international reserves position rose by M $1.8 billion to M $28.8 billion at the end of March this year, sufficient to finance 4.1 months of retained imports. The higher level of reserves was caused by net inflows of private capital which more than offset the deficit in the trade account and net outflows for the services account.

Bank Negara's net international reserves rose to M $29.2 billion at the end of June compared with M $27 million at the end of last year.

Singapore

Goh Expresses 'Concern' Over Gorbachev Removal

BK2008113091 Singapore Singapore Broadcasting Corporation in English 1100 GMT 20 Aug 91

[Text] At home, the prime minister, Mr. Goh Chok Tong, has expressed concern over the removal of Soviet President Mikhail Gorbachev and the declaration of a state of emergency in the Soviet Union. In a statement at the Prime Minister's Office, Mr. Goh said President Gorbachev had been instrumental in introducing and implementing perestroyka and glasnost in the Soviet Union. His economic and political reforms have led to fundamental changes in the Soviet Union and Eastern Europe.

Mr. Goh added Mr. Gorbachev's new thinking in foreign policy had ended the cold war. It relaxed superpower tension and opened a new era in international relations based on mutual trust and cooperation. Mr. Goh hoped the situation in the Soviet Union would return to normal soon.

Editorial Views Gorbachev's Sudden Removal

BK2008105791 Singapore THE STRAITS TIMES in English 20 Aug 91 p 26

[Editorial: "Last Stand in Moscow"]

[Text] Looking back at all the signals coming out of Moscow in recent months, the only surprise about the coup against Mr. Mikhail Gorbachev is that anyone should have been surprised at all. Ever since former Foreign Minister Eduard Shevardnadze warned last December that the country was heading towards a dictatorship, hardline opponents of Mr. Gorbachev have been calling for his ouster. In April, the rightwing Soyuz group in the Soviet parliament circulated a petition among members demanding a special session at which he was to be called to account and removed. In June, hardliners within the government briefly attempted a constitutional coup and sought unsuccessfully to transfer many of his powers to Mr. Valentin Pavlov, the conservative Prime Minister. A month later, a group of 12 hardliners accused reformers of leading the country to ruin and called on the military to step in. The military's response was a statement on Friday in the armed forces daily, KRASNAYA ZVEZDA, asserting that the Communist Party and armed forces were under open assault from anticommunist forces and appealing to party members to close ranks in defence of the "socialist Fatherland."

The hardliners' anger against Mr. Gorbachev is not wholly unjustified. While the world might see him as the visionary who ended the debilitating Cold War and as the gallant reformer trying to drag his country into the modern era of growth and democracy, to them he is the man whose policies were destroying the empire bequeathed to them by the Russian tsars and which the Communist Party had turned into a superpower. In the manner of coup-makers everywhere, the hardliners have exaggerated the disorder in the Soviet Union to justify their move—but not by much: The country was gripped by chaos and anarchy and, in the words of the so-called state-of-emergency committee, had become ungovernable. The problem is that the committee is unlikely to be able to do any better than Mr. Gorbachev and may, in fact, provoke far greater disorder and bloodshed than the country has seen so far.

Throughout the country's long-running crisis, the hardliners have not produced a single constructive proposal to rescue it from its most basic problem—an economy that is in terminal decline. Their only platform has been that law-and-order must be restored, and this is what they pledge to do now. The question is: how? Although they command awesome powers on paper, they do not have troops enough to quell the entire country should the republican and local governments and the millions who voted them into office—in their parlance, the "extremist forces"—refuse to submit to their orders. Indeed, it is not at all certain that the troops that they do have would do their bidding. They may, when it comes to the crunch, simply fade away. And even assuming the best-case scenario for the coup-makers, the one clear lesson of recent decades is that the command system simply does not work; the economy cannot be commanded to produce.

There was tacit recognition of this in the first address by the new regime's acting president, Mr. Gennadiy Yanayev, when he stated that the emergency measures were only temporary and "in no way mean renunciation of the course towards profound reforms in all spheres of life of the state and society." But reform, in today's Soviet context, necessarily means altering the power balance between the centre and the republics, and that is precisely the point the hardliners refuse to concede. By removing Mr. Gorbachev when they did, the hardliners prevented his signing the new union treaty devolping key powers to the republics. Ultimately, however, they will have to take the same route if they are to have any chance of sucess at all in their proclaimed task of saving the country. Without the free consent of the republics, and their peoples, the enterprise is doomed to fail.

Daily Urges Filipinos To Approve U.S. Bases

BK2008065891 Singapore THE STRAITS TIMES in English 19 Aug 91 p 26

[Editorial: "Time to Stop Posturing"]

[Text] With less than a month to go before the Sept 16 deadline for expiry of the lease to Subic Naval Base and Clark Air Base, Philippine senators are still undecided on whether to ratify the agreement reached with the Americans on July 17 on a new lease. At issue is the extension of the lease on Subic for another 10 years, the U.S. having decided to give up Clark in the wake of the damage caused by Mount Pinatubo's eruption. Sixteen senators have indicated that they would reject the pact, which must be ratified with a two-thirds majority in the 23-member Senate. Among other grievances, they feel that Subic is being given away for too little in return—U.S.$2.4 billion (S[Singapore]$4.1 million) in direct compensation and as much as U.S.$4.5 billion in other forms of assistance.

Throughout the long and difficult negotiations for the U.S. bases, Filipinos have sought to cut a deal which would maximise the compensation they would get from the Americans. It was unfortunate that Mount Pinatubo and the end of the Cold War resulted in their getting far less for the bases than they had hoped for—Manila had wanted some U.S.$825 million a year for use of the bases. Such are the vagaries of fate. Nonetheless, the July 17 agreement still provides a sizeable source of funds which the financially-strapped country needs desperately. The Aquino government has accepted this reality but apparently not so for members of the Philippine

Senate, many of whom are no doubt peeved by the slap to national pride if they should accept a reduced bases settlement. But what of the consequences of rejection?

Pro-treaty advocates, which include the military and the business community, have pointed out quite rightly that rejection could bring about big trouble for the Philippines. Manila has plans to beef up its armed forces—a move necessitated by the need to counter the threat from communist insurgents and also to fill the defence gap which would be created as the Americans slowly disengage from the Philippines. Without funds from the U.S. the U.S.$5 billion military upgrade plan for the next decade would come to nought. Like it or not, American money is sorely needed to help turn the Philippine military into a more credible force.

The economic impact of a complete U.S. withdrawal now is perhaps the more serious consequence. As it is, the closure of Clark Air Base has devastated the central Luzon economy. If Subic should go too, it would mean the loss of many more thousands of jobs and hundreds of millions of dollars in direct American spending, not counting the loss of compensation and other assistance. Thirty-five industrial, banking and professional groups published an open letter in major Manila dailies last week urging the Senate to remember that "in the hands of your august body lies the fate of over 60 million Filipinos". It was a plaintive cry which puts into focus the crux of Manila's dilemma. In their hearts, many nationalistic Filipinos would probably be glad to see the Americans leave but they are also aware that they cannot do without U.S. compensation for use of the bases and other forms of aid.

Business leaders have also correctly pointed to the importance of sending the right signal to foreign investors. Recovery of the faltering Philippine economy is contingent on foreign investments flowing into the country. U.S. bases on Philippine soil provide a measure of security which would be reassuring to investors, current as well as potential. Some elements of the military and the conservative lobby have hinted that rejection of the bases pact could spark off a coup bid. This may be just talk to pressure the senators into acquiescing to the pact. But it is nonetheless and unsettling thought as further instability would definitely make things worse for the Philippines. The time for bargaining is over. The sooner the pact is approved, the better it is for Filipinos as their leaders can then concentrate their minds on putting the country back on track.

Ruling Party Wins Mandate on Nomination Day

BK2108050091 Hong Kong AFP in English 0445 GMT 21 Aug 91

[Text] Singapore, Aug 21 (AFP)—The ruling People's Action Party (PAP) was assured of a new mandate at the close of nominations Wednesday for the August 31 general elections.

Forty-one candidates from the PAP were returned unopposed, giving the party an absolute majority in the 81-member parliament.

Cambodia

Hor Namhong Remarks on USSR 'Internal Affair'

BK2008120291 Phnom Penh SPK in English 1124 GMT 20 Aug 91

[Text] Phnom Penh SPK August 20th—Foreign Minister Hor Namhong described the development in the USSR as an internal affair of the Soviet Union.

In his declaration this afternoon to SPK correspondent, the foreign minister of the State of Cambodia said he hopes that the Soviet people will settle the problem by themselves without any outside interferences.

"Though this is a very important event," Hor Namhong stressed, "it will not affect the peace process in Cambodia because the outcome of the forthcoming meeting is to be decided only by the governement of the State of Cambodia and the Supreme National Council."

"The government of the State of Cambodia will continue to make more concessions and to adopt a flexible attitude for a comprehensive solution to the Cambodian problem, and hopes that the other party will assume the same attitude," Hor Namhong concluded.

UN Mission Visits Thai Khmer Rouge Zone

BK2108060291 Phnom Penh SPK in French 0403 GMT 21 Aug 91

[Text] Phnom Penh 21 Aug (SPK)—A UN mission arrived in Bangkok on Monday to study the modalities for implementing an unconditional cease-fire in Cambodia and started its investigation on Tuesday by visiting the zone controlled by the Khmer Rouge, according to opposing Cambodian army sources cited by AFP [AGENCE FRANCE PRESSE].

The sources add that the 12-member mission, led by Ghanaian General Timothy Dibuama, will spend two days at the Thai border northwest of Cambodia, controlled by the Khmer Rouge, the main armed faction of the opposition against the Phnom Penh government.

General Dibuama and his team are expected in Phnom Penh on Friday [23 August] and will visit zones controlled by the two noncommunist factions allied with the Khmer Rouge from 30 August to 2 September, according to the same sources.

The mission will study the modalities for the control of the cease-fire and determine the number of military and UN staff necessary for its implementation.

Commentary on UN Peace Plan, Government Stance

BK2108075991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 20 Aug 91

[Station commentary: "The Unswerving Stance of the State of Cambodia"]

[Text] [Passage indistinct] in this draft are the issues of: preventing a recurrence of the past danger in Cambodia; the various Cambodian parties' troops; and Cambodia's sovereignty. All these are key remaining issues in a solution to the Cambodian problem.

The State of Cambodia, which controls the absolute majority of the territory and people of Cambodia, has adhered to a clear stance on the above issues—namely, that a political solution to the Cambodian problem should ensure that the 1975-78 catastrophe will not recur and that the political and military status quo will be maintained until a new government is set up through free, proper, equal, and just elections in Cambodia. Cambodia's sovereignty and the Cambodian people's right to self-determination should also be respected. [passage indistinct] This is the insistent request of and is vitally important to the Cambodian people.

Talking this way does not mean that the State of Cambodia intends to reject the 28 August 1990 UN framework document and the 26 November 1990 draft agreement. At the 21st session of the National Assembly, which was concluded on 19 August, the State of Cambodia's National Assembly reiterated that the State of Cambodia still accepts the 28 August 1990 framework document as the basic document for finding a solution to the Cambodian problem and has sincerely accepted the majority of points in the 26 November 1990 draft agreement of the five major countries. The National Assembly also specified that the State of Cambodia has never intended to fully reject these documents and that it has never intended to stray from the framework of the international community's common efforts.

Therefore, the major issue concerning the coming meeting of the Supreme National Council [SNC] as well as the comprehensive solution to the Cambodian problem depends on the stance adopted by the other Cambodian side and the countries involved.

The Cambodian people express happiness and joy at the news that at the forthcoming Paris International Conference on Cambodia the United States and a number of other countries will (?announce) their opposition to the return to power of those people who caused the catastrophe for the Cambodian people between 1975 and 1978.

However, it is most regrettable that the Son Sann and Prince Ranariddh groups have not yet declared their real positions. These people have not yet cut themselves off from the Pol Pot group. Therefore, our people appeal to the other Cambodian side to adhere to a realistic attitude by putting the interests of the nation and people above personal interests in order to quickly achieve a definitive agreement on a comprehensive political solution to the Cambodian problem and to quickly end the conflict and the over two decade-long hardship of our people.

Paris Assistance, Relations Reviewed

BK2008070791 Phnom Penh SPK in French 0410 GMT 20 Aug 91

[Text] Phnom Penh 20 August (SPK)—In the framework of bilateral cooperation, 25 French students from Paris have arrived in Phnom Penh since early this month to help restore "Camette" hospital and the French "Alliance Francaise" school which has already been open for one year.

With the initiative of Paris Mayor Jacques Chirac, Phnom Penh and Paris have developed cooperation on works of administrative management, taxes, library, and so on. Moreover, Phnom Penh has also received a fax machine from the International Association of French-speaking Mayors (AIMF), of which it has been a full-fledged member since February 1990.

In 1990, Paris offered seven vehicles to Phnom Penh for its sanitary service, a lawn mover, office supplies, 22 typewriters, four television sets, 10,000 science and mathematics books, 180 books for French-language study, many French-Cambodian dictionaries, and a great deal of medicine.

Weekly Flights to, From SRV To Increase

BK2008074091 Phnom Penh SPK in French 0416 GMT 20 Aug 91

[Text] Phnom Penh 20 Aug (SPK)—Cambodia Airline and Vietnam Airline have agreed to increase their regular weekly flights between the two countries due to the growing number of passengers.

From 2 September, the date of the 46th Vietnamese national day, there will be four flights or eight travels between the two countries.

Vietnam Airline will undertake two flights on Monday from Hanoi to Phnom Penh via Ho Chi Minh City and vice versa; two on Tuesday and Friday from Ho Chi Minh City to Phnom Penh; and two on Wednesday and Saturday from Phnom Penh to Ho Chi Minh City.

Cambodia Airline will serve the return Phnom Penh-Ho Chi Minh city flight every Thursday.

Sihanouk Remarks on Impact of USSR Development

BK2108073991 Hong Kong AFP in English 0729 GMT 21 Aug 91

[Excerpt] Bangkok, Aug 21 (AFP)—Prince Norodom Sihanouk, the head of Cambodia's Supreme National Council (SNC), said Wednesday the ouster of Soviet President Mikhail Gorbachev would not affect peace talks to end the war in his Southeast Asian nation.

"It's an internal affair and has no bearing on the ongoing peace process (in Cambodia)," the prince told reporters on arriving here from Beijing.

Prince Sihanouk is to chair next week in the Thai beach resort of Phatthaya meetings of the SNC, an interim governing body made up of representatives of Cambodia's warring factions—Phnom Penh's Vietnam-installed government and a guerrilla coalition dominated by the Beijing-backed Khmer Rouge.

The Soviet Union is Hanoi's and Phnom Penh's main international backer, but Moscow has cut drastically over the past few months its military and economic aid to its Indochinese allies. [passage omitted]

Sihanouk Urges UN To Send Observers, Advisers

BK2108055091 Hong Kong AFP in English 0515 GMT 21 Aug 91

[Text] Bangkok, Aug 21 (AFP)—Prince Norodom Sihanouk, the head of Cambodia's Supreme National Council (SNC), called on the United Nations Wednesday to dispatch "about 200 observers and advisers" to help maintain the ceasefire in the Southeast Asian nation.

The call came in a written statement issued as the 68-year-old prince arrived here from Beijing ahead of a meeting in Phatthaya next week of the SNC, an interim governing body composed of Cambodia's warring factions.

Prince Sihanouk who ruled Cambodia until a 1970 coup, also called for "mutual concessions" by the factions—the Vietnam-installed Phnom Penh government and a guerrilla coalition dominated by the Chinese-backed Khmer Rouge.

The "crucial issue" at the August 26-28 Phatthaya meeting will be a peace plan drafted by the five U.N. Security Council permanent members to end the 12-year-old war in Cambodia, Prince Sihanouk said.

The guerrillas want a full implementation of the U.N. blueprint, while Phnom Penh has objected to clauses leading to a dismantling of its armed forces and placing key ministries under U.N. control.

"My very difficult tasks will consist in trying to obtain a compromise, that is mutual concessions from the two firmly held positions, the toughest being that advanced by the party of Democratic Kampuchea and that enunciated by the government of (Phnom Penh Prime Minister) Hun Sen," Prince Sihanouk said.

The party of Democratic Kampuchea is the formal designation of the radical Marxist Khmer Rouge, which was responsible for the deaths of hundreds of thousands when it ruled Cambodia between 1975 and 1979.

"I am neither optimistic nor pessimistic," Prince Sihanouk said.

"In any event, I believe that the United Nations ... should send to the Khmer country as soon as possible about 200 'observers' and 'advisers' to assist the SNC in strengthening the ceasefire and peventing the eventual arrival in Cambodia of (outside) arms supplies," Prince Sihanouk said.

In a major breakthrough at an SNC meeting in Phatthaya in June the Cambodian adversaries agreed on an unlimited ceasefire and an end to military assistance from China and Vietnam to their respective allies.

But the issue of an international verification of the ceasefire has not been settled.

The Khmer Rouge has called for an advance U.N. force of 500 to 700 men to be sent immediately to cambodia where it says 10,000 troops of the world body should eventually be deployed.

A U.N. military mission is currently visiting Cambodia to assess how many troops would be needed to monitor the ceasefire there.

Indonesia

Commentary Assesses Power Seizure in USSR

BK2108091591 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 21 Aug 91

[Station commentary]

[Text] Reacting to Monday's takeover of power in Kremlin, Italian Prime Minister Giulio Andreotti, expressing surprise, sadness, and concern, said he learned after telephoning Moscow that the crisis stemmed from the new union treaty. But he added that he did not know how the new Soviet president would overcome the obstacles faced by the former president. As reported by the official Soviet news agency TASS, President Mikhail Gorbachev was on Monday morning declared to be unable to perform his presidential duties for health reasons and was replaced by Vice President Gennadiy Yanayev. Thus, the latter became the new president of the Soviet Union.

In fact, the event took place one day before the new union treaty was to be signed by Gorbachev and the presidents of the Soviet republics of Russia, Kazakhtan, and Uzbekistan. Gorbachev and the presidents of the republics of Belorussia, Tajikistan, Kirghizia, Turkmenia, and Azerbaijan were earlier scheduled to sign the new union treaty on 10 October. The Soviet republic of Ukraine was to sign the treaty in December after this Soviet republic holds a general election. Nine of the 15 Soviet republics approved the new union treaty following months of negotiations initiated by Gorbachev, while Lithuania, Latvia, Estonia, Georgia, Armenia, and Moldavia, which want to secede from the USSR, rejected it. The new union treaty will give wide power to the Soviet republics. The treaty appeared to have been opposed by the hardliners.

According to observers in Moscow, the key leaders of the hardline group are KGB chief Vladimir Kryuchkov, Defense Minister Dmitriy Yazov, and Interior Minister Boris Pugo. Because of this, a troika will emerge if Yanayev as the new president is unable to overcome the obstacles faced by Gorbachev. This will mark the beginning of a power struggle.

Suharto Hopes for No Prolonged Unrest in USSR

BK2108102091 Jakarta ANTARA in English 0957 GMT 21 Aug 91

[Text] Jakarta, Aug 21 (OANA-ANTARA)—President Suharto expressed the hope here Wednesday that the recent change in the Soviet Union leadership will be in line with the Soviet people's aspirations and will not result in prolonged unrest.

Minister/State Secretary Murdiono told newsmen that hopefully everything could be settled immediately there in accordance with the Soviet people's aspirations.

Soviet President Mikhail Gorbachev was replaced by his Vice President Gennadiy Yenayev on Monday.

"Prolonged unrest is feared to cause disintegration in that country," he quoted the president as saying.

Unless everything is taken care of at the soonest, the situation in the country will directly or indirectly affect the world situation in general, he said.

USSR Developments 'Should Be Closely Watched'

BK2108110791 Jakarta ANTARA in English 0926 GMT 21 Aug 91

[Text] Jakarta, August 21 (OANA-ANTARA) - Indonesian Minister of Finance J.B. Sumarlin has said that the current political developments in the Soviet Union after the overthrow of President Gorbachov should be closely watched because they would have an impact on the world economies, including Indonesia's.

"Nobody could guess which direction these developments would take, but they would certainly have an impact on the world economies and probably also on Indonesia," Sumarlin told the press after the swearing-in of Finance Ministry officials here on Wednesday.

The minister explained that these political developments had so far not shown any impact on Indonesia's economy, but they still should be closely watched because the direction these developmnents would take was still difficult to guess.

"And if a negative impact is obvious, necessary steps should immediately be taken," he remarked.

He also pointed out that the Soviet Union, a potentially rich country in natural resources such as crude oil and coal, which so far had not been fully utilized, had previously attracted many foreign investors. But after the overthrow of Gorbachov, foreign, including Indonesian, would-be investors in that country hestitated and would most probably looked out for other countries with a stable political condition, he said.

Sumarlin further said that before the political turmoil in the Soviet Union, many U.S oil companies were prepared to conduct investments in that country with an investment value of about four billion U.S dollars. But after the sudden outbreak of the turmoil, the prospects of U.S. investments in the Soviet Union became bleak.

The minister also warned to use "offshore loans" (foreign commercial loans) very carefully because excessive offshore loans would only burden Indonesia's international balance of payment.

Short term loans, he advised, should not be used for long term projects because if these loans could not be extended, they would cause a decline in the country's foreign exchange reserves.

Quoting President Suharto's state address before the Indonesian Parliament on August 16, Minister Sumarlin pointed out that the use of foreign commercial loans should not exceed Indonesia's economic ability to reimburse them.

Gorbachev Removal To Have Far-Reaching Impacts

BK2008080391 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 20 Aug 91

[From the press review]

[Text] In essence, SUARA KARYA, BERITA BUANA, and KOMPAS say that they did not expect a swift overthrow of President Gorbachev. Gorbachev's removal will definitely have far-reaching impacts and complicate the situation in that country. However, this is the nature of political theater.

Orthodox Communism Return in USSR Discounted

BK2108044491 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 21 Aug 91

[Text] The orthodox communist system will have no place in the Soviet Union regardless of who is in power there because reforms undertaken by Mikhail Gorbachev have been deep-rooted in East Europe. Marzuki Darusman, vice chairman of House Commission I [in charge of foreign affairs, defense, and information], was commenting on President Mikhail Gorbachev's downfall.

He said the winds of reforms blown by Gorbachev will not end completely after he fell as his ideas have been the basis of the policies of East European countries which no longer support communism. Thus, whoever is in power in the country of red bears must follow the path charted by Gorbachev. According to Marzuki Darusman, Gorbachev's fatal mistake was he failed to take the domestic situation fully into account when he introduced glasnost and perestroyka.

Encouraging Development of PRC Ties Noted

BK1908134991 Jakarta ANTARA in English 1032 GMT 19 Aug 91

[Text] Jakarta, Aug 19 (OANA-ANTARA)—Relations between Indonesia and China had developed encouragingly since the two countries normalized diplomatic ties on August 8 last year, Indonesian Ambassador Abdurrahman Gunadirja said in Beijing.

In a dispatch to ANTARA from the Chinese capital Sunday night, Ambassador Gunadirja said that he and China's foreign minister, Qian Qichen, agreed that there had been an encouraging development in the one year-long bilateral relations which was resumed last year after having been frozen for more than two decades.

"In the first year after the resumption of diplomatic ties, six Indonesian ministers had already visited China and the same number of Chinese officials with ministerial ranks have likewise visited Indonesia," Gunadirja said during the flag raising ceremony commemorating the 46th anniversary of Indonesian independence in Beijing.

President Suharto visited China in November 1990 and his Chinese counterpart, President Yang Shangkun, reciprocated the visit last June. The visits were aimed at boosting friendship between the two countries and bilateral relations.

Noting that a number of agreements on industrial and trade sectors had been signed by officials of the two countries, he said that he welcomed the Indonesian Government's new ruling that eased procedures for Indonesian nationals who wanted to go to China.

Prior to the issuance of the new regulation, every Indonesian citizen should first get security clearance from the National Intelligence Agency (Bakin) before being able to get the exit permit from the Immigration Office.

Gunadirja said that he expected exchange of visits by officials of the two countries would further increase "not only visits by government officials but also by businessmen and tourists from China to Indonesia and vice versa," he added.

He reminded, however, that Indonesian businessmen should carefully choose area of business that would be of most benefit to the peoples of the two countries.

During the ceremony, he called on the embassy's staff to closely watch China's development on huge projects that consumed both large amount of energy and locally-made Chinese products, saying that Indonesia could learn much from this so as to save the country's foreign exchange earnings.

The commemoration of the Indonesian independence in Beijing was attended by a number of Chinese officials, including Deputy Foreign Minister Xu Dunxin, Post and Telecommunications Minister Yang Taifeng, and China's Central Bank governor, Li Guixian.

The commemoration party was also attended by ambassadors of the Association of Southeast Asian Nations (ASEAN) and Indonesia's other neigbouring countries such as Australia and New Zealand.

ASEAN, a regional cooperation grouping, includes Indonesia, Brunei, Malaysia, the Philippines, Singapore, and Thailand.

Laos

Peoples Assembly Opens 13 Aug

Presidium Rostrum Listed

BK1408041591 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 13 Aug 91

[Excerpts] As already reported in the live broadcast by national radio, the Sixth Session of the Second Supreme People's Assembly [SPA] to discuss and endorse the first constitution of the Lao People's Democratic Republic [LPDR] was opened at 0840 [0140 GMT] at the SPA meeting hall in the capital of Vientiane today.

Present on the Presidium rostrum were Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and chairman of the Council of Ministers of the Lao People's Democratic Republic [LPDR]; Souphanouvong, president of the LPDR; Nouhak Phoumsavan, Political Bureau member of the LPRP Central Committee and SPA chairman; and many other party and state leaders.

Also attending the Sixth Session of the Second SPA on this occasion were altogether more than 300 senior Buddhist monks, SPA delegates, representatives of mass organizations, intellectuals, businessmen, foreign diplomats, representatives of various international organizations, and other guests of honor.

On this glorious occasion Nouhak Phoumsavan, Political Bureau member of the Party Central Committee, chairman of the SPA, and head of the committee in charge of drafting the first constitution of the LPDR, delivered an opening speech. [passage omitted]

On the same occasion Chairman Nouhak Phoumsavan also explained the draft consitution to the session. He noted the need for the LPDR Constitution. He also discussed in depth the basic contents of the draft constitution's political, economic, social, and cultural aspects, including details on the fundamental rights and obligations of Lao citizens and duties of the state apparatuses. Upon endorsement these provisions of the draft constitution will be put into force throughout the period of the establishment and expansion of the popular democratic system. All these are in conformity with our country's socioeconomic realities. They also conform to the actual abilities of our state and people to put them into practice. [passage omitted]

In the session SPA delegates also took turns presenting views on the draft constition. Those who presented views on this occasion were Souvannalat Sai-gnavong, SPA delegate from Khammouane Province; Boutsabong Souvannavong, delegate from Vientiane Municipality; Bounlap Nhouivanitsavong, delegate from Champassak Province; Nouphat Chounlamani, delegate from Vientiane Municipality; Bounkong, delegate from Luang Prabang Province; Yongyia, delegate from Xieng Khouang Province; Phanthilat Ammalitthaba, delegate from Savannakhet Province; and Khamsing Sai-gnakon, delegate from Oudomsai Province.

At 1400 [0200 GMT] the second SPA will continue its work in the afternoon session. More SPA delegates will present their views on the draft constitution. The afternoon session will continue until 1700 [1000 GMT].

More on Presidium

BK1308013491

[Editorial Report] Vientiane Vitthayou Hengsat Radio Network in Lao at 0910 GMT on 13 August continues its live coverage of the opening of the sixth session of the Second Supreme People's Assembly. The announcer gives names of the presidium members, saying "the presidium comprises 17 members altogether" and saying that "sitting on the front or the first row are Kaysone Phomvihan, President Souphanouvong, Nouhak Phoumsavan, Phoumi Vongvichit, Khamtai Siphandon, Phoun Sipaseut, Saman Vi-gnaket, Maichantan Sengmani, and Thongsing Thammavong." Sitting on the back row are eight other members. They are "Oudom Khatthi-gna, Choummali Sai-gnason, Somlat Chanthamat, Khamphouai Keoboualapha, Chaleun Yiapaoheu, Dr. Somphavan Inthavong, Phou Latsaphon, and Dr. Bounmi Phattavong."

The announcer then relates the PASASON editorial marking this assembly session. He adds that "the official opening ceremony will begin at 0130 GMT."

Nouhak Phoumsavan Opens Secession

BK1308101891 Vientiane KPL in English 0925 GMT 13 Aug 91

[Text] Vientiane, August 13 (KPL)—The People's Supreme Assembly [PSA] (2nd legislature) of the Lao PDR [People's Democratic Republic] today morning opens here its sixth session, with a large participation of party and state leaders, members of the PSA, foreign and Lao guests.

Chaired by its President Nouhak Phoumsavan, Politburo member of the party CC [Central Committee], chairman of the Constitution Drafting Committee, this session of the PSA is to discuss and adopt the draft constitution, the first for the Lao PDR, to elect the president and the prime minister of the Lao PDR, to adopt a number of laws on the election to the national assembly and to deal with other issues.

In his opening address to the session, Nouhak Phoumsavan said in its past 2 years' activities the PSA has drafted the constitution, and also adopted several fundamental laws in its 4th and 5th sessions.

The adopted laws, though incompleted yet, have helped the state organs in administering the whole society, he said, adding that as the elaboration of those laws was done in a haste, their quality and the capacity for their implementation could be partly affected. So lessons will be drawn for their correction and rectification in the future.

However, the PSA president said the promulgation and implementation of the country laws in the past two years has advantaged the strengthening of social order and the administration of the state.

The draft constitution being submitted to the session for consideration today has been already circulated for public discussion and comments through which the people showed their unanimity with its.

After his opening speech, the PSA president presented the presentation of the draft constitution to the session. The presentation is composed of two parts: the necessity for the Lao PDR to have a constitution, and the fundamental content of the draft constitution.

Speaking of the necessity to have the constitution, the basic law of the state, Nouhak Phoumsavan said it is to define the principles of the country's new regime in the political area, to delineate the fundamental rights and duties of the citizens, and to define the organisation of state apparatus in the stage of building and developing the people's democratic regime.

The main content of the draft constitution covers preamble, political regime, socio-economic system, basic rights and obligations of citizens, and state apparatus.

The preamble deals with the nation's history and its people's struggle for independence and freedom until December 2, 1975. On the political regime, the draft constitution defines the chareacter of the state which is a people's democratic state, the character of class and strata of all ethnic groups who are master of the country. This point also covers the definition of domestic and foreign policies.

On the socio-economic system, the draft constitution affirms the economic system of the country, which is a system of multi-sectorial economy designed to shift from a subsistence economy toward a market economy. This point also covers the social development, education, culture, public health.

As far as the rights and obligations of citizens are concerned, the draft constitution provides that the state ensures citizens with their rights, obligations and freedom in all respects. This point also deals with legal rights and interests of overseas Lao to be protected by the state, the rights of foreign residents and stateless persons living in the Lao PDR.

The last point is about the system of the state apparatus which consists of three main organisations: the legislative body, the executive body, and the judicial body. The draft constitution defines the rights and duties for each of the bodies.

The legislative body is the national assembly. There are no more provincial and district people's assemblies. The executive body is the government. At local level are provincial governor, municipal mayor, head of district and head of village.

The judicial body is composed of the people's court and the prosecutor's institute. The people's court includes the people's supreme court, the people's provincial court, the people's municipal court, the people's district court and the military court.

The draft constitution also defines the national script, language, emblem, flag, anthem and capital. To reflect the national characteristics and the veneration of the Lao people, That Louang is depicted on the national emblem.

The PSA 6th session will last 3 days.

More on Nouhak Phoumsavan Speech

BK1308121991 Vientiane Vitthayou Hengsat Radio Network in Lao 0128 GMT 13 Aug 91

[Speech by Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA], delivered at the opening of the Sixth Session of the Second Supreme People's Assembly held in Vientiane on 13 August—live]

[Text] Respected senior Buddhist monks; respected Presidium of the session; respected honored local and foreign guests; beloved dignitaries, comrades, and members of the Supreme People's Assembly [SPA]:

Eight months have passed since the fifth session of the SPA was convened. Since then, our people have continued to win victories in many fields in implementing the policy of restructuring. Political stability and social order have remained fundamentally firm. The people's livelihood and well-being remain peaceful and normal. Today, we are opening the sixth session of the SPA. On this occasion, I would like to extend my salutations to all dignitaries, comrades, and SPA members for trying to attend this session on schedule. At this meeting, two SPA members are missing, namely Comrade Sali Vongkhamsao and Comrade Khamlai Chanthavong because they have already passed away. Their demises are a great loss to our SPA. To express our grief over their deaths, I ask all dignitaries and comrades to rise up to pay our fond memory to the two comrades for one minute. [one minute of silence follows] Please sit down.

On behalf of the SPA, I would like to pay tribute to respected Comrade Kaysone Phomvihan, chairman of the party Central Committee and chairman of the Council of Ministers, and all respected party and state leaders. By sacrificing your valuable time to attend this meeting, it means that you, comrades, have given a great honor to this session. Your presence constitutes an encouragement to our meeting. I would like to thank all honored guests who are attending this meeting en masse. On this occasion, I would like to thank all diplomats and representatives of the international organizations for giving your precious time to attend our meeting. At the same time, I would like to thank all representatives of the local and foreign news agencies and press for paying interest in and closely following this meeting.

Respected dignitaries and beloved comrades, the opening of the SPA session today is of special significance. At this meeting, we will discuss and endorse the draft constitution, elect the president of the republic, and approve the appointment of the premier of the Lao People's Democratic Republic [LPDR]. At the end, we will approve the law on the election to the National Assembly and other draft laws.

We are convening this session at a time when the entire party, Army, and people are organizing the implementation of the resolution adopted at the fifth party congress. The discussion and approval of the above-mentioned important issues will become an encouragement to the people to develop a sense of confidence in carrying out a campaign to win new victories. Nevertheless, it is deplorable that the current prolonged drought during this production season is feared to cause severe damage to our production. Moreover, recent floods have also ravaged some localities in our country, thus causing losses to the lives and property of our people. However, we believe that our people who have maintained a tradition of hard work are resolved to overcome all these difficulties to ensure a good harvest in the agricultural production this year.

As all of us know very well, in the past 12 years the second SPA has carried out its duties in drafting the constitution and a number of other laws. Between the second session and the fifth session, we have approved many laws—all of which are important fundamental legal codes that can be enforced in various spheres of state and social work and are involved with all strata and ethnic groups of our people. They are the law on the organization and procedure of the People's Courts and the People's Judiciary Institute; the law on the maintenance of security and peace and the protection of the people's republic regime; the laws relating to Lao nationality, the protection of the family life, and the protection of laboring people; the law on inheritance rights; the law ensuring finance and banking activities; and the law on criminal and civil procedures.

Two years ago, the state managed our society by primarily relying on its policy and orders. At the moment, we have begun to enforce a number of laws. Even though they still remain incomplete, all these laws have greatly facilitated state organizations in managing our society through legal procedures within a set framework. All the laws which have already been enforced are beginning to become effective and useful, thus encouraging the public to be aware of the existence of legal procedures. But we must realize that under the present circumstances in which our people have relied on the natural and subsistence economy for so long and their cultural level remains very low, it is necessary that we must be extremely patient and persistent in educating them to raise the level of their awareness in correctly abiding by all laws and regulations. In drafting the afore-mentioned laws, our legislators must exercise a great deal of patience and efforts. All in all, all the laws which have been enforced appear to be very useful in meeting the needs of some sectors of our society, thereby contributing to resolving some difficulties arising from the lack of essential laws in managing the state.

Nonetheless, the drafting of the laws in the past seemed to be a little bit hasty because we only wanted to promulgate as many laws as possible within a short period of time. As a result, some adverse effects may have occurred in certain areas with regard to their quality and the validity of their enforcement. In connection with such shortcomings, it is necessary that we draw lessons from them so that improvement and modification can be made in the future.

The enforcement of these laws appears to be both effective and ineffective. In general, most of our law enforcers are competent. In many localities, the courts have meted out correct verdicts against the accused and people are satisfied with such sentences. However, in some localities, verdicts on some cases have disappointed people. This is because law enforcers in these localities are only neophytes whose standards are low. In addition, some of them may even lack a sense of impartiality, thereby leading the courts to give out unjust verdicts against the accused. Such a phenomenon has eroded the people's faith in the new regime. Generally speaking, the enforcement of laws in our country in the past two years has been fundamentally successful, thus serving to strengthen peace and social order and the administration of the state. Such efforts can be done only through laws and regulations.

Respected dignitaries and comrades, while drafting and enacting a number of essential laws, we were also writing the draft constitution for the LPDR. The drafting of the constitution is a primary duty of the second SPA. As I stated earlier, the drafting of the constitution is another new important task for us. In the past two years, we have worked out, with a sense of utmost care, the draft constitution step by step. In writing the draft constitution, we have combined the method of studying the party's line and policies with the assessment of the levels of the socioeconomic development in our country both at present and in the future. At the same time, we also studied lessons in constitutional drafting from a number of selected friendly countries. The draft consitution being submitted to the SPA for consideration today has been already circulated among our cadres and people for public discussion and comments through political campaigns on the basis of democratic promotion. This is a method of creating conditions for the people to participate in the state affairs. It is a way by which our citizens are able to heighten a sense of patriotism and their love of the new regime. By making numerous valid comments on the draft constitution, our people are apparently beginning to appreciate the contents of the people's democratic regime. At the same time, they have also come to grasp a sense of being the masters of their own country. I would like to commend our people for providing such good comments on the draft constitution. [applause]

We can clearly see that, through their comments, our people showed their unanimity with all the fundamental contents of the draft constitution. Therefore, we can say that the people's unanimity is ingrained in the draft constitution. In practice, it means that our people show their unanimity with the party's line and policies.

Before approving and endorsing the draft constitution at this meeting, let us more firmly consolidate and strengthen the unanimity among the party, state, and people. Throughout the process of drafting this constitution, we have constantly received supervision and guidance from the party Central Committee Political Bureau. All this is to ensure that the contents of this draft constitution conform to the party's line and policies.

Respected and beloved dignitaries and comrades, our meeting will endorse an issue of great significance. Our multiethnic people, cadres, soldiers, policemen, and mass organizations [words indistinct] the important issues at this meeting. I am convinced that all of us will discuss the draft constitution in a democratic manner and with a sense of responsibility so that we will unanimously endorse its contents together at the end, thereby reflecting a high level of solidarity among all SPA members. I wish our meeting be crowned with brilliant success.

I now officially declare open the Sixth Session of the Second SPA.

Thank you. [applause]

Draft Constitution Presented

BK1908130191 Vientiane Vitthayou Hengsat Radio Network in Lao 0157 GMT 13 Aug 91

[Introduction to draft constitution by Nouhak Phoumsavan, chairman of Supreme People's Assembly and chairman of Constitution Drafting Committee, presented at opening of sixth session of second assembly in Vientiane on 13 August—live]

[Text] Respected members of the Presidium; delegates to the session:

The hard and protracted cause of national salvation that our people have carried out for decades has ended very successfully with the complete liberation of the country, the overthrow of the old regime, the transfer of administrative power into the hands of the people, and the establishment of the Lao People's Democratic Republic [LPDR] on 2 December 1975.

Following that success, the situation in the country entered a new era. In the new situation, many people were of the view that as the LPDR had then been established, we should have a constitution. This view, of course, came from their lofty aspiration. But, the subjective and objective conditions of social life in our country at that time were unfavorable. Until the fourth congress of the party was convened, a plan was adopted to set up the second Supreme People's Assembly [SPA] to be in charge of establishing the constitution. After being set up, the SPA appointed the Constitution Drafting Committee to do this work. In performing its duty, the Constitution Drafting Committee had studied various resolutions of the fourth Lao People's Revolutionary Party [LPRP] Central Committee, in particular the resolutions issued by the Party Central Committee following its seventh and ninth sessions.

In April 1990, the draft constitution was initially established. The Political Bureau of the LPRP Central Committee also gave the guidelines for the draft constitution and authorized the drafting committee to publicize it to gather views from cadres and people in general. Throughout the campaigns to publicize the draft constitution across the country in June last year, all the cadres and people welcomed the draft constitution and joined in contributing useful views on it. Later, all the views were gathered, put into groups, and then selected and added to the contents of the revised draft constitution. Of late, based on the basic contents of the resolution of the fifth party congress and the guidelines as put forth by the second and third party central committees, the draft constitution was again revised in order to be turned into a perfect and comprehensive one.

Today, on behalf of the Constitution Drafting Committee, I have brought the draft constitution with me and I would like to explain and present it to the sixth session of the second SPA for consideration and endorsement. The editorial preface that I am presenting to the SPA session today consists of two parts. The first part deals with the need to have the constitution of the LPDR, and another part deals with the basic contents of the draft constitution.

Now, let me present the first part—the need to have the constitution of the LPDR:

Delegates, for thousands of years, the multiethnic Lao people have existed and developed on this beloved land. Entering the 14th century, Tiao Fa Ngum [Lao hero], an ancestor of our nation, built our Lan Xang country into a unified and prosperous country. However, it existed for only a certain period of time in our history. [words indistinct] Our nation was invaded and ruled by an outside power. With the patriotic tradition of refusing to serve as slaves of foreigners, our people rose up as one and fought to gain the independence and freedom, in particular over the past 60 years or so. Under the leadership of the Indochinese Communist Party in the past and the LPRP in the present, our people have promoted and expanded the patriotic tradition and together carried out the hard and protracted struggle, with a spirit of sacrifice, against the colonialists and the dominating yoke of the imperialists and feudalists, thereby completely liberating the country and retaking the administrative power. Following the struggle, on 2 December 1975 we dissolved the old regime and then established the LPDR, thus ushering in a new era—an era in which the nation has gained genuine independence and unification and in which the multiethnic people have enjoyed freedom and the rights of being owners of the country. [applause]

Over the past 15 years, our people have together concentrated their energies on implementing the two strategic tasks—defending and building the country. But, as our starting point was from a situation in which our economy was based on nature and subsistence, production was backward, and the people's cultural understanding remained at a low level. We faced many difficulties. Nevertheless, we made some significant progress: for example the satisfactory achievements in the cause of defending and building the country.

The LPDR has persistently and securely safeguarded the independence, democracy, and territorial integrity. Political tranquility and social order have been firmly maintained step by step. Under the conditions in which the international situation is changing complicatedly, our people have [words indistinct] continued to maintain solidarity and harmony. Our people's material and spiritual living conditions have been improved while our national economy has been consistently developed; our agricultural production has been comprehensively expanded, and our labor efficiency, both in cultivation and (?construction), has been increased.

We have initially achieved success in building material and technical foundations for the national economic foundation. The communications and transport work has also been considerably developed. Many new roads have been built while old ones have been repaired. The people throughout the country have enjoyed more conveniences in traveling from one place to another. New steps in development have also been achieved in the field of industry and traditional handicrafts. The circulation of goods has been broadened throughout the country, creating favorable conditions for the expansion of goods production and benefiting the daily life of the people.

In addition, new steps have been achieved in the economic relations with foreign countries. Considerable achievements have also been won in encouraging foreign investors to make investments in the country. Compared with the achievements in the period beginning [year indistinct], it can be clearly seen that the progress made in the previous years ranks as very significant. The development of normal daily life activities in every area for our people has resulted, first and foremost, from the fact that our multiethnic people of all strata have promoted and expanded the patriotic tradition, enhanced the spirit of being owners of the country, and strengthened solidarity and harmony. They have also concentrated their energies on contributing to restricting and doing away with various difficulties, promoted the tradition of perseverance and industriousness in work, and undauntedly struggled to defend and build the country and improve their living conditions. Various fraternal and friendly countries, as well as various international organizations, have also rendered support and assistance to us in many fields. [words indistinct]

But, the basic point behind the state of peaceful normalcy and the developments over recent years is that our party has put forth the appropriate line, policies, and steps of advance that conform to the practical conditions of the country, and has also reformulated the stages for the carrying out of the revolution and the implementation of the popular democratic system in our country. Noteworthy is that our party has successfully implemented the line, plans, and policies in all spheres in the past, and (?led) the government to further build, promote, and expand the popular democratic system and further carry out the restructuring in a systematical and comptehensive manner in order to achieve our (?revolutionary) goals.

Distinguished guests, comrades, after the period of (?the comprehensive restructuring) in the implementation of the line, plans, and policies, it has clearly been proved to everyone here today that our restructuring line, which has been carried out (?over the past year), has conformed to the practical conditions of our country in the present. Our delegates (?may have now come) to understand the need for us to have a constitution that defines various (?characteristics) of the new system in the political and social fields, defines the basic rights and obligations of the citizens, and defines the organization of state apparatuses in the period of the establishment and development of the popular democratic system. At present, it is necessary for us to acknowledge the great achievements that all our people have won in the hard and protracted struggle, as well as the significant fruits that we have produced for more than 15 years past in defending and building the country. It is also necessary for us to have a constitution to (?serve our future) and to unifiedly acknowledges the characteristics of our state [words indistinct]. The constitution is needed to help the people of all strata to clearly understand the mechanism that is used to implement their rights to mastery in the political field in order to come to understand the significant position of the ethnic people, and at the same time, accept the significant role of a (?founder of a religion), for example that of Buddhism, which has been respected and practiced in our Lao society for a long time.

The social life is one issue that is stipulated in the constitution. [words indistinct] In this regard, the draft constitution explains how our people have maintained the right to mastery in the socioeconomic field, how various economic sectors have existed and developed in the society and what roles they have maintained in the political and judicial fields, and what mechanism is used in managing the economy. In the educational, cultural, public health, and social fields, what has the state done in order to raise the level of understanding of the multiethnic people? [words indistinct] What are the rights of each citizen which are protected by the state? What obligations toward the state have been maintained that citizens should fulfill? In addition, what organizations of the state apparatuses should be defined to be in conformity with the period of the establishment and development of the popular democratic system?

It is the duty of the state organizations to make joint efforts to ensure the efficiency of the state authority in the management of society. The promulgation of the constitution is necessary for both cadres and the people. [words indistinct] the constitution stipulates the right to mastery and how the right is exercised. First, as for cadres, the constitution [words indistinct] how they should function in line with the principle of the state belonging to the people, by the people, and for the people. Thus, they will closely mingle with the people.

The constitution advocates the people's right to mastery and democratic rights, democratization, public security, peace and order, and social harmony. Moreover, the constitution also significantly contributes to the education of our people so as to enhance their sense of patriotism and love for the new regime. It also promotes unity and reconconciliation, and energetically enhances both the people's role as the master of the country and their contribution to national defense and construction, aimed at a continual expansion of the popular democratic system. This is intended to achieve prosperity and strenghten the country and the people's well-being.

The constitution is the state's fundamental law. It lays the foundation for fulfilling the country's legal system and provides the means to defend the people's democratic rights and the right to mastery, which are indispensable conditions for economic and sociocultural development and the giving of new life for the people. In the international arena, every country is interested in developments in our country. For this reason, the promulgation of the constitution is an opportunity for us to tell the world about the special characteristics of the popular democratic system, the organization of [words indistinct], and internal and external policies as stipulated in the constitution. It also provides an opportunity for us to propagate the special characteristics and rights of citizens. [Words indistinct] the constitution defends the rights and interests of foreigners and foreign businessmen who come to invest in Laos. Hence, it will help both the fraternal and friendly countries worldwide, as well as international organizations, to understand us and increase their assistance.

The second part. The essence of the draft constitution, which will be considered and discussed prior to its endorsement during this session, can be divided as follows: 1. Preamble. 2. Political System. 3. Socioeconomic System. 4. Citizens' Rights and Obligation. 5. Organization of the State Apparatuses.

1. The preamble reviews the history of the growth and evolution of the country. It emphasizes the spirit of patriotism throughout the period of the stalwart and heroic struggle waged by our people against external aggression so as to gain independence and freedom. It includes other struggles under the leadership of our party before the brilliant victory of 2 December 1975. Thanks to this great victory, we are now living in an independent and unified country, and hence are able to write this constitution. This is the constitution of a genuinely independent, unified, and free country. [Applause]

The draft constitution [words indistinct] highlights some basic problems of the popular democratic system, stipulates the rights and obligations of citizens, and the organization of the state apparatuses. This is the important part of the draft constitution. It is the first time in the history our nation that the people's right to mastery is recognized.

2. The Political System. The special characteristics of our country's political system are highlighted in the draft constitution. First of all we must consider Article 1. This is an article that confirms the country's independence, sovereignty, territorial integrity, and unity, which are the great harvest our people have earned with sacrifices through protracted and difficult struggles and reaffirms the strong determination of our people to jointly defend the country and the multiethnic people's unity forever.

Article 2 of the draft constitution stipulates that our country is a people's democratic state. All powers are of the people, by the people, and for the interest of the multiethnic people of all strata in society, with workers, farmers, students, and intellectuals as key components. This is a characteristic of the constitution in conformity with the popular democratic principle and the actual conditions in our society. The draft constitution stipulates the right to mastery of the multiethnic people. This right must be exercised and guaranteed through the function of the political system, with the Lao People's Revolution Party as its leading organ. It covers the leading role of the party, state management, and the people's right to mastery.

Article 3 [as heard] of the draft constitution stipulates the voting rights of the people and the establishment and functions of all state organizations that must be in line with the principle of democratic centralism. All state organizations and functionaries are required to popularize and propagate the policies, regulations, and laws and together with the people implement and enforce them so as to defend the legitimate rights and interest of the people. It also deals with the mass and social organizations that act as rallying organs in promoting unity and mobilizing all strata of the multiethnic people to participate in the tasks of defending and building the country and that guarantee the people's right to mastership. These are stipulated in the draft constitution from article 4 to article 7.

From article 8 to article 11, the draft constitution stipulates the country's domestic policies. First of all, the policy of promoting unity among all ethnic groups is the most important one that can lead to the victory in defending and building the country. This policy emphasizes equality among all ethnic groups and their rights to preserve and promote their fine customs and cultures as well as our state's responsibility toward all ethnic groups. The policy toward faiths that is pursued by our party is that the state respects and protects all lawful activities of the buddhists and followers of other religious faith. It mobilizes and encourages Buddhist monks and novices as well as the clergy of other religious faiths to participate in the activities which are beneficial to the country and people. At the same time, all acts that create discrimination against religious groups and people are prohibited. The state manages the society by the provision of the constitution and laws so that all organizations and citizens will function within the bounds of the constitution and laws. This policy is aimed at defending the right to mastership and the democratic rights of the people, and maintaining social peace and order.

The policy of national defense and the maintenance of security among the entire mass is an important policy because the tasks of defending the country and the maintenance of security are duties of the entire people, party, and armed forces. These important tasks must be carried out with the total strength of the people.

The last one concerns foreign policy that is aimed at achieving peace, independence, friendship, and cooperation and promoting relations with all countries—regardless of the differences in political, economic, and social systems—on the basis of peaceful coexistence. This policy is strategically sound and conforms with the current general trend in the world. This is in article 12.

The third part is about the socioeconomic system. Article 13 says: the economic system in the LPDR is the multisectoral economic system with the objective of expanding production, broadening the circulation of goods, and turning the natural economy into a goods-oriented economy in order to increasingly develop the economic establishments and improve the material and spiritual living conditions of the multiethnic people.

Article 14 says that the state protects, promotes, and expands various kinds of state, collective, and individual ownership, as well as private ownership by domestic capitalists and foreigners who make investments in our country. At the same time, the state also protects the joint ownership between the state and economic sectors and between other economic sectors.

In order to shift to the goods-oriented economy, the state is pursuing a policy of encouraging all economic sectors to compete and cooperate in expanding business production, and guranteeing equality for all economic sectors before the law.

The draft constitution defends the rights of ownership: the right to govern, the right to utilize, the right to transfer, and the right to inherit property by organizations and individuals. As for the land that is under the ownership of the national community, the state ensures the rights to use, transfer, and inerit. This a sensible policy of defending the citizens' rights to ownership. This is stipulated in article 15.

The economic management mechanism is an important issue of the task of renovation. The draft constitution stipulates that the economic management is achieved through the utilization of market mechanism under the state control and extensively promotes the money-goods relations and the implementation of the principle of promoting the centralized, unified management of central branches in combination with the division of managerial responsibility for localities. This is article 16.

In order to defend the country's natural resources, article 17 of the constitution calls on all organizations and all citizens to protect the evironment and natural resources.

We pursue a policy of broadening economic cooperation with foreign countries. Article 18 stipulates the policy of promoting and expanding economic relations with foreign countries in different forms on the basis of the respect for one another's independence, sovereignty, equality, and mutual benefits. This policy is aimed at obtaining funds, experience, and modern technology from foreign countries to speed up socioeconomic development in our country.

Our state pays attention to developing education in combination with the building of the new generation to be good citizens; implements the compulsory primary education system; permits private schools that function under the curricula of the state; develops education in the areas where ethnic minority people reside; and promotes and expands the fine, tradional national culture and arts. This is article 19.

The state pays attention to expanding public health service and allows private sectors to operate medical services in accordance with the state regulations. The state pays attention to taking care of disabled combatants, the families of those who have sacrificed their lives and who have committed meritorious deeds for the national, pensioned cadres, and mothers and children. That is article 20.

Now part five of the draft constitution that deals with the rights and obligations of Lao citizens. It is [words indistinct] of the draft constitution. The promotion of democracy and the right to mastership of the citizens are related to the basic rights and obligations of each individual citizen. The draft constitution guarantees the following rights for the citizens: Lao citizens are all equal before the law, have the rights to vote and stand in elections, receive education, and work and engage in occupations that are not illegal. Lao citizens also have the right of freedom of settlement and movement, as prescribed by the law. Lao citizens have the right to lodge complaints and petitions and propose ideas to state organizations. The right of Lao citizens in their bodies and homes is inviolable. Lao citizens have the right to believe in religions and the rights and freedoms of speech, press, and assembly; they may also set up associations and stage demonstrations that do not contravene the law. Lao citizens have the rights and freedom to conduct and to apply any advanced knowledge in science, techniques, and technology, to create artistic and literary works. These are [words indistinct] from article 21 to article 38.

At present, there are a number of our compatriots living and earning their living in foreign countries for some reasons. The majority of them still love this country. Although they are far away from home, their hearts are still with their homeland. They are ready to contribute to the development of the country. The state is aware of their feelings. For this reason, article 33 of the draft constitution stipulates that the state protects the legitimate rights and interests of Lao citizens residing abroad. It is neccessary for the constitution to stipulates the abovementioned rights of Lao citizens so that every Lao citizen can enjoy genuine rights and freedoms [words indistinct].

Rights must go together with obligations. Since the state protects the citizens' democratic rights and freedoms, each citizen has obligations toward the state. The draft constitution stipulates the following obligations. First of all, Lao citizens have the obligations to abide by the constituion and laws and to observe labor discipline, the regulations in carrying out livelihood in society, and the regulations on peace and order of the country. Lao citizens have the obligations to pay taxes, fees, and duties in accordance with the law; to defend the country; to maintain public security; and to fulfill military obligation as stipulated by the law. These are prescribed from article 33 to article 36.

We have had aliens living in our country for a long time. They have contributed to building this country and have abided by the laws and regulations. Therefore, article 37 of the draft constitution stipulates that aliens and persons having no nationality have the right to have their rights and freedom protected by the provisions of the laws of the LPDR. They have the right to lodge petitions with courts or other organizations concerned in the LPDR and the obligations to respect the constitution, regulations, and laws of the LPDR.

The right to asylum granted by the state to foreigners who struggle for justice is in line with the policy of humanitarianism and the protection of human rights. For this reason, article 38 of the draft constitution stipulates that the LPDR grants asylum to foreigners who are suppressed and persecuted because of their fight for freedom, justice, peace, and scientific causes. This is the end of chaper three of the draft constitution.

The organization of the state apparatuses is explained in chapters four, five, six, seven, and eight of the draft constitution. To guarantee the right to mastership in all spheres of political, economic, and social life and the fundamental rights and obligations of Lao citizens, it is necessary to boost the efficiency of the state apparatuses. We must try to find ways to enable state organizations to fulfill their duties in turning the lines, plans, and policies of the party into laws and regulations and effectively manage the society in accordance with the principle of democratic centralism. [?The organization system in our country] comprises three key organizations: namely, the legislative, administrative, and judiciary organizations. First of all, the draft constitution touches on the national assembly. The national assembly is a legislative organization that has the power to deliberate the key problems of the country, endorse draft constitution and other laws, and follow and inspect activities of administrative and jucidiary organizations in localities so as to enable the state apparatuses to perform work in conformity with the building and expansion of the popular democratic system and in conformity with the actual conditions in our country. [words indistinct] (?in particular the people's assemblies at the provincial and district levels).

Next is the president of state. The president of state represents the state and the multiethnic people in governing the relations at home and abroad. He maintains significant rights and duties, including the rights and duties to issue decrees on the management of the country and the appointment of heads of the administrative and judiciary organizations. The government serves as the administrative organization that performs the duty of a combined management of the implementation of state tasks in the political, economic, cultural, social, national defense, public security, and foreign fields.

Under the system of the said administrative organization, provincial governors, municipal mayors, district chiefs, and village headmen serve as administrative leaders. Compared with the present organizational system, it is noted that there is a change in the administrative organizations at the central and local levels. This new change results in an increase in the rights and responsibility of those who are heads of the administrative organizations, including prime minister, provincial governors, and district chiefs, to act in the place of chairmen in order to ensure an ever more effective management. [words indistinct]

The judiciary organization comprises people's courts and public prosecution institutes. The people's courts comprise the Supreme People's Court, provincial people's courts, municipal people's courts, district people's courts, and military courts that serve as organizations to judge various cases. The public prosecution institute maintains the role and responsibilities of controlling the implementation of the constitution and laws (?by) all state organizations and various (?social) and civilian organizations. Each prosecution institute has the rights, role, and responsibilities to independently fulfil its responsible tasks at a certain level. At the same time, (?functioning) of the said institutes must be closely related to each other under the leadership of the Lao People's Revolutionary Party [LPRP].

In addition to the aforesaid five main issues, the draft constitution outlines certain important issues in chapter IX on language, script, national emblem, national flag, national anthem, and capital city. All these are considered the specific characteristics of the Lao People's Democratic Republic [LPDR]. To show the national characteristics and to serve as the center for the people's spirit of respects, it is deemed appropriate to have the traditional That Louang pagoda as the national emblem.

Delegates, all the issues that I have mentioned above are the basic contents of the draft constitution of the LPDR. The draft constitution outlines the true characteristics of the popular democratic system, the class characteristics of the state, and the rights to mastery of the people. It turns the party's political line into various provisions on (?main) policies in the political, economic, and social fields as well as in the fields of human rights and the rights and obligations of our people and state apparatuses. All provisions of the draft constitution, if endorsed, will be put into practice throughout the period of building and expanding the popular democratic system. All the provisions as stipulated in the draft constitution conform to the specific points in the economic and social aspects of our country. They also suit the abilities of our people's administrations to translate them into reality.

The promulgation of the constitution is the (?objective) requirements and aspiration of our people. Throughout the recent period of publicizing the draft constitution throughout the country, cadres and people positively contributed many useful views to the draft constitution. This has shown the spirit of responsibility of the people towards the nation. Generally speaking, the draft constitution that I have presented to the Supreme People's Assembly [SPA] in this session comprehensively reflects the systematic, complete, and all-round restructuring line and policy, as adopted in the resolution of the Fifth Party Congress. It also serves the interests and aspirations of the multiethnic people.

Our people have looked forward to having the constitution for a long time. I am convinced that after being endorsed and put into force, this constitution will be welcomed by the multiethnic people and that the people will together implement it positively and successfully. On behalf of the Constitution Drafting Committee, I have explained various basic points of the draft constitution and would like to ask our SPA session to study it, deliberate on it, and endorse it. Thank you. [applause]

PASASON Welcomes Session

BK1908153791 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 13 Aug 91

[PASASON editorial: "Wholeheartedly pay tribute to and welcome the sixth session of the second Supreme People's Assembly to consider and endorse the first constitution of the Lao People's Democratic Republic"]

[Text] Today, the sixth session of the Supreme People's Assembly [SPA] will be majestically opened in Vientiane—the heart and soul of the entire Lao people. At this meeting of special significance, all SPA members who have been democratically elected to be genuine representatives of the rights and interest of the multiethnic Lao people throughout the country will concentrate their efforts and wisdom on fulfilling the difficult but noble task of discussing and endorsing the first constitution of the new people's democratic regime since the establishment of the Lao People's Democratic Republic [LPDR] 15 years ago. At the same time, the SPA members will also exercise their right to elect the president of the LPDR, to consider and endorse the appointment of the prime minister and the new government of the LPDR, to consider and adopt the law on the election of members of the National Assembly, and to approve the state budget plan and other related issues that are significant to the period of restructuring in all fields—political, economic, and social—in our country.

This historic SPA session also welcomes the participation by party and state leaders, representatives of local administrations, intellectuals, senior Buddhist monks, students, learned persons, and representatives of the front committees from throughout the country who will act as witnesses to the deliberations for the endorsement of the fundamental law of our beloved country. The brilliant success achieved in the deliberations to endorse the constitution this time will become a good omen for the implementation of the restructuring policy of our party, for instance, the restructuring in the political system. It is the first time that the multiethnic Lao peoples' right to mastery will be defined in the basic law of the country. This constitution truely reflects the great achievements made by our people in the cause of the national liberation struggle—full of sacrifics in the past as well as the initial victory of our people—to fulfill the two strategic tasks of defending and building the country.

The endorsement of the first constitution of the LPDR will contribute to defining a new turning point in the growth and development of our state. From now on, our state will embark on gradually and steadfastly managing the state and society by means of laws. The deliberations and endorsement of the constitution of the LPDR constitute a response to the aspirations of the multiethnic Lao people and of our friends the world over.

The first constitution of the people's democratic regime is the outstanding achievement of the entire Lao people, all levels, and all services. It represents as well the important contributions made by many friendly countries and international organizations. The draft constitution, which will be discussed for endorsement by the SPA, defines the political and socioeconomic systems, the fundamental rights and obligations of the Lao citizens, and the system of organizing state apparatuses in the new period. All these are detailed in 10 chapters, comprising 80 articles covering all spheres of work—the political and socioeconomic systems, the fundamental rights and obligations of citizens, the organization of state apparatuses, the Lao script and language, the national emblem, the national anthem, the national flag, and the capital of the country.

With regard to the political system contained in Chapter I, the draft constitution reaffirms the unification of the country—which is inseparable—and defines the principles of the people's democratic state and the multiethnic people's equal right to mastery, with the LPRP as the leading core.

Chapter II reaffirms the equality before law of all sectors in the multisectoral economic system developing in the LPDR at the moment. The state also pays attention to developing education, culture, public health, and social welfare. The Lao people's fundamental rights and obligations are clearly defined in Chapter III which ensures the right of equality before law, the right to vote and to stand in the election, the right to receive education and to work, the rights of settlement and movement, the right to profess and not to profess religious beliefs, the freedom of press and speech, and many other rights for the Lao citizens. It also defines their fundemental obligations of the country, such as the obligations to defend and to build the country.

The draft constitution which will be considered and endorsed by the SPA clearly defines the true nature of the people's democratic regime and the state, as well as the people's right to mastery. This constitution will transform the political line of the LPRP, such as the resolution adopted at the fifth party congress, into laws in the political and socioeconomic fields and laws on human rights and the rights and obligations of the Lao citizens, as well as the organization of state apparatuses.

All aspects in this draft constitution have been extensively studied, discussed, and commented on by the multiethic people throughout the country and all of our people have actively given their views on this draft charter. Therefore, it can be said that the new draft constitution of the LPDR collectively reflects the party's line of systematic and comprehensive restructuring. It also reflects the genuine interest and aspirations of the multiethnic Lao people and the level of harmonous socieconomic development of our country in the present.

By endorsing the first constitution, it clearly shows that the LPDR has made an ardent contribution to the international legislative process, aimed at safeguarding human rights, justice, and law enforcement by the world community.

The multiethnic Lao people are currently focussing their attention on the SPA's sixth session. At the same time, they are also maintaining a high sense of vigilance, remain closely united, and stand ready to smash any tricks of bad elements trying to divide, slander, and discourage our society.

The entire multiethnic Lao people stand shoulder to shoulder with all SPA members. We render our support to you as you successfully fulfill your heavy but noble and glorious task. We will cooperate with you to implement and translate the constitution and other laws into reality.

May the sixth session of the SPA score a brilliant success.

Choummali Sai-gnason Greets SRV Defense Chief

BK2008132491 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 20 Aug 91

[16 August congratulatory message from Lieutenant General Choummali Sai-gnason, national defense minister of the Lao People's Democratic Republic, to General Doan Khue, SRV national defense minister, in Hanoi]

[Text] Respected Comrade Minister: On the occasion of your appointment as national defense minister of the SRV, all officers and soldiers in the Lao People's Army and I are extremely delighted. We would like to extend our warm congratulations to you, comrade. We hope that the relations of friendship, special militant solidarity, and allround cooperation between the two countries and the Lao and Vietnamese armies in general, and between our two national defense ministries in particular will be further strengthened and bear more fine fruits forever.

I wish you, Comrade Minister, good health and happiness so that you can gain new successes in fulfilling your esteemed and noble task.

Trade Office Opens in Hanoi 12 Aug

BK2108034491 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 14 Aug 91

[Text] An official ceremony to open the Lao People's Democratic Republic's trade office was held in Hanoi on 12 August. Attending the ceremony were representatives of Vietnamese offices and organizations concerned and a number of countries to Hanoi.

Addressing the ceremony, Khamphet Phengmeuang, LPDR ambassador extraordinary and plenipotentiary, said the opening of Laos' trade representative office in Vietnam marked another step in the strengthening of comprehensive relations and cooperation between the two countries.

Leaders Receive Congratulations From Japan

BK2108100291 Vientiane KPL in English 0910 GMT 21 Aug 91

[Text] Vientiane, August 21 (KPL)—His Excellency [H.E.] Toshiki Kaifu, prime minister of Japan, on August 15, 1991 sent telegrams of congratulations to the Lao president and the Lao prime minister, H.E. Kaysone Phomvihan and H.E. Khamtai Siphandon respectively. The Japanese prime minister wished the newly elected Lao leaders good health and success in their duties. He further hoped the strengthened friendly ties following Mr. Kaysone Phomvihan's visit to Japan in November 1989 be developed.

Lao-Japanese Paraliament Association Established

BK2108094091 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 17 Aug 91

[Text] The Supreme People's Assembly [SPA] held a ceremony on the evening of 16 August at its new building to announce the establishment of the Lao-Japanese Parliament Friendship Association. The SPA Standing Committee adopted a resolution on the establishment of the association on 4 July.

The SPA resolution says: The Lao-Japanese Parliament Friendship Association is established on the basis on the foreign policy of the Lao People's Democratic Republic which promotes friendly relations and cooperation with all countries and international organizations, growing relations and cooperation between the parliaments of Laos and Japan, and the study conducted by the SPA Foreign Relations Commission. The association is an organization engaging in the promotion of friendly relations and cooperation between the parliaments of the two countries. The association has Phou Latsaphon as its chairman, Souban Salitthilat as vice chairman, and a nine-member committee.

Attending the ceremony were Chaleun Yiapaoheu, SPA Standing Committee member, Shigemi Ando, Japanese ambassador to Laos, and a number of high-level officials from both sides.

The Japanese-Lao Parliament Friendship was established in Tokyo on 13 June. It is made of 43 members, with Haradaken as chairman.

Leaders Receive Greetings From Mongolia

BK2108100091 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 20 Aug 91

[Text] His Excellency Kaysone Phomvihan, president of the Lao People's Democratic Republic [LPDR], and His Excellency Khamtai Siphandon, prime minister of the LPDR, received a telegram of greetings from His Excellency Punsalmaagiyn Ochirbat, president of the Mongolian People's Republic [MPR], and His Excellecny Dashiyn Byambasure, prime minister of the MPR.

The telegram says: The MPR leadership wishes to extend warm and sincere greetings to both of your excellencies on your election as president and prime minister of the LPDR. We firmly believe that the friendly relations and cooperation between Mongolia and Laos will be further developed. On this occasion, we wish the new president and prime minister of the LPDR good health and success.

Seminar on Drug Control Held With DEA Experts

BK2008102091 Vientiane KPL in English 0902 GMT 20 Aug 91

[Text] Vientiane, August 20 (KPL)—The third seminar on narcotics control was held here yesterday under the aegis of the U.S. Drug Enforcement Administration [DEA] with the participation of some 45 Lao customs and police officers.

Attending the inauguration session were Lao Deputy Foreign Minister Souban Salitthilat, who is also chairman of the national committee for narcotics control and inspection, Charge d'Affaires of the United States of America to Laos Mr. Charles Salmon, American authorities concerned with narcotics control in Thailand, and American experts in narcotics control from the U.S.A.

Through the ten-day seminar, the American experts will introduce Lao officers new international practices in investigations and control over narcotics smuggling and trafficking.

Phoun Sipaseut Returns After Thai Border Talks

BK2008143191 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 20 Aug 91

[Text] Yesterday afternoon, Phoun Sipaseut, deputy prime minister, foreign affairs minister, and chairman of the Joint Lao-Thai Cooperation Commission, returned to Vientiane by a special plane after attending the meeting between the Joint Cooperation Commissions of Laos and Thailand held in Cha-am, Phet Buri Province, the Kingdom of Thailand, from 15 to 17 August.

On hand at Wattai Airport to welcome Phoun Sipaseut and his entourage were Khamphoui Keoboualapha, deputy prime minister and minister of economy, planning, and finance; and a number of high-ranking cadres concerned. (Phongsak Mitsaiyakham), charge d'affaires ad interim of Thailand to Laos, was also at the airport to welcome the delegation.

Nouhak Receives Outgoing Hungarian Ambassador

BK2108093191 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 21 Aug 91

[Text] National Assembly Chairman Nouhak Phoumsavan received a farewell call from Alfred Almasi, outgoing ambassador extraordinary and plenipotentiary of the Republic of Hungary to Laos, at the visitor's room of the National Assembly yesterday afternoon.

Alfred Almasi was assigned to his diplomatic mission in Laos on 28 August 1988.

Nouhak Phoumsavan congratulated the ambassador on the completion of his diplomatic mission in Laos and wished him success in his new assignment.

The ambassador acclaimed the promulgation of the first Constitution of Laos.

Countries Sign Agreement on Phone Service

BK2008095591 Vientiane KPL in English 0855 GMT 20 Aug 91

[Text] Vientiane, August 20, (KPL)—Australia and Laos have reached an agreement for further upgrading of the earth station (and telephone exchange) on a commercial basis.

According to a media release issued by Australia's OTC [expansion unknown] International (OTCI), it recently signed a business cooperation contract with Enterprise Des Posters et Telecommunications Lao (EPTL) to upgrade international telecommunications for the Lao PDR [People's Democratic Republic].

The deal, worth approximately at $4 million over five years, was announced on August 13, 1991 by the Australian minister for transport and communications, Mr. Kim Beazley.

The signing of the agreement with EPTL means that OTCI now has long-term business operations in all three countries of Indochina—Laos, Vietnam and Cambodia—as well as elsewhere throughout the Asia-Pacific region.

In May 1990, satellite communications via Intelsat were established in the Lao capital Vientiane, with the opening of a 7.5 metre vista earth station built by OTCI and funded by the Australian International Development Assistance Bureau (AIDAB).

Under the contract, the facilities in Laos will be upgraded to increase the number of international circuits from 8 to 30. The Vientiane telephone exchange will also be reconfigured to allow International Direct Dial (IDD) services.

OTCI will also supply technical and financial management training of EPTL personnel, help ensure the development of an appropriate indigenous skills base.

Export Promotion Seminar Opens in Vientiane

BK2008101291 Vientiane KPL in English 0853 GMT 20 Aug 91

[Text] Vientiane, August 20 (KPL)—The ESCAP [Economic and Social Commission for Asia and the Pacific] and the UNDP [United Nations Development Program] yesterday jointly opened here a seminar on export promotion for landlocked countries.

Attending the seminar are over 30 delegates from Nepal, Afghanistan, Bhutan, and Laos itself. The participants will exchange experiences and work out principles in dealing with the business, designed to overcome difficulties in promoting goods export.

Lao Deputy Minister of Trade and Tourism Mr. Khamphan Simmalavong addressed the inaugural speech.

Philippines

Business, Political Figures Air Views on USSR

HK2108034891 Manila PHILIPPINES NEWSDAY in English 21 Aug 91 pp 1, 2

["Voices:" "On Gorbachev's Ouster"]

[Text] Newsday has asked select personalities in business and politics their views on the changes in the USSR, and how they think these will affect the Philippines. Here are their answers: **Vice President Salvador Laurel:**

The removal of President Gorbachev and the painful experience of Kuwait should remind small nations like us that there is never a substitute for a realistic national security policy and a strong defense capability no matter how positive world trends may appear. **Blas F. Ople, former labor minister, current president of the RP [Republic of the Philippines]-USSR Friendship Society:**

With the rest of humanity we were able to lay aside in our minds the past few years the specter of a nuclear holocaust. It was Gorbachev's reforms that lifted this burden from men's minds. With his downfall, new men with old ideas have acquired control over the world's largest arsenal of nuclear destruction in the Soviet Union. This is creating a new unease which is also felt in the Philippines.

The new regime in Moscow has a pronounced military cast and will be strongly tempted to restore waning Soviet power. If this translates into a reversion to the old policy of seeking proxies in the Third World, it is possible that eventually, if not soon, it will revive the flagging hopes of our own Communist insurgents.

But there is a sense in which the genie is out of the bottle in the Soviet Union and no junta can put it back. The democratizing forces unleashed by Gorbachev have become irreversible. The new regime will face increasing isolation both at home and abroad. Internationally, it is already an outcast. Cornered regimes are more dangerous, however. In the Philippines, we should raise our guard, realizing, as the sudden changes in Moscow prove, that the world remains a dangerous place. **Jose Ma. Sison, founder of the outlawed Communist Party of the Philippines:**

Gorbachev's ouster is a rejection of his revisionist line. He flirted with the restoration of capitalism in the USSR. The policies of glasnost and perestroyka initiated by him are nothing more than kissing the ass of U.S. imperialism.

Gorbachev espoused modern revisionism because he represented the bourgeois bureaucracy while masquerading as a Communist. He and Russian President Boris Yeltsin are the Pepsi Colas and the Coca Colas of the Soviet process of restoring captialism.

The National Democratic Front has been for a just and lasting peace; its general line is for national liberation and democracy. But there can be no just and lasting peace without fulfilling the people's demand for national liberation and democracy. **Raul Concepcion, vice chairman of the Joint Government-Business Initiative Program and chief executive officer of Concepcion Industries:**

It's too early to assess the effects of the ouster of Soviet President Mikhail Gorbachev on the world, particularly the Philippines. Indications, however, are that:

1) The Soviet Union may revert to the same measures that China employed when the latter closed its doors.
2) The Soviet Union will concentrate its efforts and resources on unifying under the Union its various republics which want their own independence.
3) It will put more emphasis on domestic economic problems in order to increase food production to improve the economic life of its people.
4) Given its enormous economic problems, the Soviet Union will have to allocate less for its defense and armaments.
5) It will concentrate on strengthening its ailing economy.
6) With respect to the Philippines, the crisis in the Soviet Union has suddenly enhanced the strategic importance of the Subic Naval Base; more so if the Soviets decide to reactivate their base in Cam Ranh Bay, Vietnam. **Representative Dominique Coseteng (KBD [expansion unknown], Quezon City):**

These developments are exactly what the U.S. would like to capitalize on to justify its continued stay. Let us not be carried away by black propaganda, the same propaganda we have been deluged with for half a century now. The Russians have their own problems. They have to solve these on their own. I do not look at them as crocodiles ready to pounce on other neighbors whenever they have the opportunity to do so.

We cannot look at our interest from everyone else's eyes! Besides, if we are not connected or associated with the Americans there's nothing to be afraid of—assuming that it is the U.S. that is the USSR's enemy.

If the bases are not here, we won't be in the line of fire because we are not the Russians' enemies or targets. The Russians have given up Cam Ranh Bay several years ago. So there's no more threat.

It's about time we chart the course of our own destiny.

(The Philippines should) wait and see. Two days are not enough to determine the outcome of (the Soviets') political struggle. Our embassy must be required to send us accurate info and their analysis and not rely on U.S. propaganda. **Representative Salvador Escudero III (KBL [New Society Movement], Sorsogon):**

(The recent developments in the Soviet Union) will not necessarily affect the ratification of the new bases treaty, because one main reason given by both RP and the U.S. in keeping the bases is the bases' role in keeping global stability. The present geopolitics assumes that the USSR is on "the other side of the fence."

There is no reason (for us Filipinos) to be concerned. Russian leaders come and go without much impact on Russian-Philippine relations. I just hope the administration does not blame the coup in Russia for our multifarious domestic problems which are getting more and more serious and acute.

Effects on National Security

HK2108043091 Manila MANILA BULLETIN in English 21 Aug 91 pp 1, 12

[By Aris R. Ilagan]

[Text] Top officials of the Department of National Defense (DND) and the Armed Forces of the Philippines (AFP) expressed yesterday the need to review the country's security plans and programs in view of recent developments in the Soviet Union.

Defense Secretary Renato S. de Villa said: "We watch with deep concern the developments in the Soviet Union because it may eventually affect our national security."

AFP chief of staff Gen. Lisandro C. Abadia described the ouster of Soviet President Mikhail Gorbachev as "ominous." He also expressed belief that the national leadership should now initiate an in-depth assessment of the country's relations with the American government, particularly those affecting the AFP and the U.S. Armed Forces.

Both De Villa and Abadia declined to give an assessment of the impact of the recent developments in Moscow on the country's security and defense programs.

Most of the AFP programs, particularly its planned modernization, are linked to the continued stay of American facilities here, Clark Air Base in Angeles City and Subic Naval Base in Olongapo City.

In an interview after the turnover ceremonies for the new Filipino base commanders of Clark Air Base Command (Cabcom) and Subic Naval Base Command (Subcom) at Camp Aguinaldo, Rear Admiral Thomas Mercer, commander of the U.S. Forces in the Philippines, echoed the sentiments of the Philippine military in their support for ratification of the new RP [Republic of the Philippines]-U.S. bases treaty.

Mercer emphasized the strategic importance of the Philippines as site of Clark and Subic. "There is nothing as strategically located as the Philippines. We need to be on forward deployment," he said.

Laurel

Vice President Salvador H. Laurel has urged President Aquino to convene the National Security Council (NSC) to immediately study the serious implications of the ouster of President Gorbachev on the geopolitical stability around the world, particularly in the Asia-Pacific region.

In a one-hour meeting with the new U.S. Ambassador Frank G. Wisner held at the vice president's residence, Laurel expressed optimism about the future relations between the two countries and declared his support for the limited extension of the U.S. bases in the Philippines.

Laurel said: "The removal of President Gorbachev and the painful experience of Kuwait should remind small nations like us that there is never a substitute for a realistic national security policy and a strong defense capability, no matter how positive world trends may appear."

Rasul

Sen. Santanina Rasul asked the President yesterday to convene the Council of State in order that the implications of the ouster of Soviet leader Mikhail Gorbachev on matters of national security and the U.S. bases treaty can be discussed.

In a letter to the President, Rasul suggested the convening of the council in executive session so as to "ensure that it will not be used merely as a publicity vehicle."

She said, "The cold war may not really be over after all, making some of our premises during the bases negotiations essentially flawed."

"We were negotiating the bases treaty based on some assumptions that may not hold true today. However, the extent to which these assumptions have affected the final outcome of the treaty is still undetermined at the moment. Hence, the convening of the Council of State for the purpose of assessing the effects of the ouster is of paramount importance," Rasul said.

Uncertainty

Former defense secretary Fidel V. Ramos said yesterday that the "swiftness and unexpectedness" with which President Gorbachev has been replaced could only raise apprehension and uncertainty as "to the future of a country which has one of the world's largest populations, economies, and military might.

Ramos said: "The Soviet people have tasted the beginnings of democratic reforms that Gorbachev and other 'new' politicians in the USSR had promised. Since 1985, when he assumed the national leadership, President Gorbachev has introduced economic and political reforms which were closely related to our system and that of the rest of the world. These developments have slowly taken root in the Soviet system and have brought the Cold War to its end....

"With this latest development, I am hoping that the new Soviet leadership shall continue to implement the ideals of perestroika and glasnost in the Soviet Union, as well as maintain its strong cooperation with the rest of the world to preserve world peace and to eliminate the threat of war."

In Crisis

Members of the House of Representatives said yesterday the crisis of leadership in the Soviet Union underscores America's need for its military bases here.

"Whatever be the consequences of the ouster of Soviet President Mikhail Gorbachev, the United States is left with no alternative but to assert its presence in the region," said Rep. Gualberto Lumauig (LDP [Struggle of the Filipino Democrats], Ifugao), chairman of the House committee on ASEAN-Pacific affairs.

Effects on Ties With U.S. Viewed

HK2108041191 Manila PHILIPPINES NEWSDAY in English 21 Aug 91 pp 1, 2

[By Ros Manlangit, Arthur I. Bariuad, Dario B. Agnote, and Dionisio Tubianosa]

[Excerpts] Vice President Salvador Laurel yesterday declared support for the extension of American military presence in the country and asked President Aquino to convene the National Security Council to immediately assess the implications of Soviet President Mikhail Gorbachev's ouster on world peace and stability, particularly in the Asia-Pacific region.

"The removal of President Gorbachev and the painful experience of Kuwait should remind small nations like us that there is never a substitute for a realistic national security policy and a strong defense capability, no matter how positive world trends may appear," he said.

Foreign Secretary Raul Manglapus also said the uncertainty in the Soviet Union pressured the government to strengthen its security which relies heavily on the U.S. for external defense maneuvers.

U.S. Ambassador Frank Wisner, for his part, said it was necessary to keep the U.S.-RP [Republic of the Philippines] security partnership in the face of "stormy times" due to the changes in the Kremlin leadership.

"The bases agreement is an example of when you need to pull together for the collective security and stability of not only our two countries out of Asia at large," he added.

In the House, Representatives Ronaldo Zamora (LDP [Struggle of Filipino Democrats], San Juan-Mandaluyong), Felicito Payumo (LP [Liberal Party], Bataan), Jose de Venecia (LDP)Miguel Romero (LDP, Negros Oriental) batted for the immediate ratification of the new bases accord to assure security in the Asia-Pacific region. [passage omitted]

Representative Rodolfo Altano (KBL [New Society Movement], Isabela) asked the government to suspend the signing of the accord until after the crisis in the Soviet Union settles down. [passage omitted]

Ramos Asserts Bases Importance

HK2108115691 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 21 Aug 91

[Text] The Senate has to ratify the proposed bases treaty. This was asserted by former Defense Secretary Fidel Ramos in the face of the USSR's expulsion of President Mikhail Gorbachev.

According to Ramos, the resumption of power by the communist hardliners in the said country may revive the cold war between the United States and the Soviet Union. Ramos also added that the strategic location of the Philippines in the Asia Pacific region will ensure the security of the said region.

Global Security Environment Viewed

HK2108051991 Manila PHILIPPINES NEWSDAY in English 21 Aug 91 p 10

["Turn of Events" column by Francisco S. Tatad: "The Soviet Shakeup and the Bases"]

[Text] If the mudflow from Mt Pinatubo was all that was needed to convince the U.S. to give up Clark Air Base without a fight, President Mikhail Gorbachev's fall in the Soviet Union is all that's needed to swing the Senate vote in favor of a new agreement that would allow the U.S. forces to stay in Subic. Just wait and see.

Within hours from the ouster of the man whose "new thinking," "glasnost" and "perestroyka" won him the 1990 Nobel Peace Prize and TIME Magazine's Man of the Decade award and stirred the winds of political change in Eastern and Central Europe, some members of the Philippine Senate began calling for a renegotiation of the draft military bases treaty which antibases hardliners and few others had vowed to turn back.

For obvious reasons, neither the Aquino administration nor the U.S. government may be expected to heed such call. The draft treaty has not even been signed, it has not been tried. From the U.S. point of view, there is nothing to renegotiate. And there is simply no time for it.

If it needed 15 months to produce the kind of document that has exercised the patience of many who are normally pro-American and not opposed to the idea of the U.S. forces staying on beyond 1991, getting a much better one will probably require infinitely better negotiators—and years.

And neither side has years to invest in crafting a new agreement. By September 16th of this year—less than thirty days from date—if the Philippine position as contained in the 1987 Constitution is not contested by the U.S.—the present agreement expires.

After that date, i.e. beginning September 17th, no foreign bases, troops or facilities shall be allowed on Philippine soil except under a treaty duly concurred in by at least two-thirds of the Senate. This completely precludes the possibility of renegotiating the draft agreement.

Some senators have advanced the idea that to give the two governments enough time to renegotiate, they should fall back on the 1966 Ramos-Rusk agreement which provides that the earliest date either party may serve notice of termination of the present agreement is after September 16, 1991, to take effect one year thereafter.

This, rather than the Constitution, is the document that contains the correct expiration date of the present agreement as agreed to by the two contracting parties. But because the Constitution misread the Ramos-Rusk agreement by assuming that the 1947 agreement automatically expires in 1991, the Aquino regime is stopped from even talking about it.

So the draft agreement will have to be ratified or rejected as is. And with the sudden turn of events in the global security environment, arising from the ouster of Gorbachev, it will be ratified. All criticisms and arguments against it will have to yield to the overpowering argument that you don't change the status quo in the middle of such global uncertainty.

In a sense, we probably needed this shocking development in the Soviet Union to realize that we cannot afford to take a sharp departure from our established foreign policy and external security course without provoking resistance in the environment.

Since 1947 the presence of U.S. facilities in the country has helped to define the course of our policies and our relations with the external world; if the bases are to be finally removed and that course altered, we ought to have prepared the U.S., our regional neighbors, and our own people, sufficiently for it.

We cannot say we have, as shown by the fact that no one has a clear view of what life is going to be if and when the bases closed down on the 16th of next month.

The announced end of the Cold War had been invoked as a reason why we should now be able to get rid of the bases, whose usefulness is at best nebulous to us. It disposed of the old fear that the Soviet Union would rush to fill in the vacuum if and when the U.S. left. That fear died when Gorbachev received the Nobel Prize. Now that Gorbachev has been arrested in the Crimea, the fear has come back.

With or without the Soviet Union remaining a threat, the region will continue to need the presence of a superpower that effectively balances the security of the area and discourages regional powers from acquiring military capabilities far beyond their national defense requirements. In the face of conflicting territorial claims over the Paracel and Spratly Islands from littoral states, not to mention possible tension arising from the demarcation of maritime economic zones of neighboring countries, the need for such a balancing presence cannot be overstated.

This is a reality that has always been clear to those with a bias for strategic thinking. But the power shake up in the USSR and the many uncertainties it has brought in its train have made that much clearer.

Manglapus Stresses Need for Stronger Defense

HK2008114791 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 20 Aug 91

[Text] Foreign Affairs Secretary Raul Manglapus stressed that the Philippines should remain alert with its defenses strengthened in light of the developments in Russia. Manglapus said that while it is too early to establish what the policies of the new leadership are, he is hopeful that Russia [as heard] won't change its guidelines toward democratization.

Views USSR's 'New' Government

HK2108034091 Manila BUSINESS WORLD in English 21 Aug 91 p 9

[Text] By keeping its embassy in Moscow intact, the Philippines has virtually recognized the new Soviet Central Government formed by an eight-man committee composed of Communist Party hardliners with military backing, Foreign Secretary Raul Manglapus yesterday indicated.

Mr Manglapus told newsmen Philippine recognition of the newly installed government "is not in question because we continue to recognize the Soviet state. We continue to deal with the Soviet Government because our embassy is still there."

Nonetheless, Mr Manglapus said the Executive department is "watching the sitaution very carefully... The reaction of the people is still not clear."

To this end, Mr Manglapus said the Department of Foreign Affairs is keeping tabs on developments in the Soviet Union. "The Soviet Ambassador has been in touch with us, and he has been telling us about developments as he sees them."

Antibases Senators Urge Nonaligned Posture

HK2008125491 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 20 Aug 91

[Excerpt] Antibases senators called on the government to adopt a nonaligned position in the face of developments in the Soviet Union. Senators Juan Ponce Enrile, Aquilino Pimentel, and Wigberto Tanada fear the probable effect of the bases treaty. [passage omitted]

Abadia Reiterates Importance of U.S. Bases

HK2008132291 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 20 Aug 91

[Text] Lisandro Abadia, Armed Forces chief of staff, warned that the developments in Russia should not be used as a basis for demanding higher compensation from the United States. He also reiterated the importance of the continued presence of the U.S. military bases in the country.

Sugar Producers Endorse Treaty Ratification

HK1708021291 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 16 Aug 91

[Text] About 500 sugar farmer-producers from the Batangas and Laguna Provinces have endorsed the ratification of the new U.S.-Republic of the Philippines Military Bases Agreement. They issued their position through a resolution which they passed after Emerito Bagabaldo, Sugar Regulatory Administration Board special assistant, disclosed the possible effects of the Philippine Senate's rejection of the bases treaty. According to Bagabaldo, the agreement's ratification would benefit the country more because if it is rejected, the 40,000 families who are dependent on the sugar industry in the Batangas-Laguna sugar region will lose their opportunity to enter the U.S. market.

'Progressive Block' Presses for Bases Ejection

HK2008110791 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 20 Aug 91

[By Ana Soriano]

[Text] Even pro-bases legislators are hoping that there will be a renegotiation on the military bases retention extension, following the expulsion of Soviet President Mikhail Gorbachev. But according to Congressman Gregorio Andolana, spokesman of the progressive block, the historic event is not a reason for them to reverse their position on the issue.

According to Andolana, there is more reason now to eject the U.S. military bases from the country so as to prevent the Philippines from contributing to the feared revival of a cold war between the super powers. The group also stressed that the development is just internal and not external, such as a feared probable attack on the Philippines.

Taiwanese Investors Ask Government Guarantee

HK2108052791 Manila THE CHRONICLE in English 21 Aug 91 p 9

[Text] Taiwanese businessmen are hoping that the Malacanang-certified Foreign Entities Act would specifically mention their country's economic relationship with the Philippines.

They also prodded the Aquino government to make up its mind about its One-China policy.

These were the issues raised by Dr. Jeffrey L. S. Koo, chairman of the Chinese-Philippine Business Council, and his colleagues at a recent meeting in Taipei with the Philippine delegation, led by Aurelio Periquet, Jr., president of the Philippine Chamber of Commerce and Industry.

"It is a fact that there is a legitimate government operating in Taiwan and that the Philippines must officially recognize this government if the two countries are to have a more harmonious and progressive economic relationship. Politics must not be an obstacle," Koo was quoted as saying in a report on the minutes of the meeting.

Also in the minute, Periquet assured the Taiwanese businessmen that their concerns would be addressed by the Foreign Entities Act, which will allow the Philippines to establish economic ties with countries it has no diplomatic relations with.

The Philippines' One-China policy, which recognizes Mainland China as the sole China, has prevented the Aquino government from establishing diplomatic and political ties with Taiwan.

Periquet said that Taiwan is included even without being specifically mentioned in the bill.

The government, through the Board of Investments, earlier guaranteed the safety of Taiwanese investments through Board Resolution No. 046, declaring their basic investment rights and guarantees.

While this resolution was welcomed, the Taiwanese had believed that a legislation to this effect would be necessary.

The Taiwanese businessmen also complained of the Aquino government's inconsistent labor and investment policies.

Validity of Marcos Travel Papers Extended

HK2008110891 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 20 Aug 91

[Text] The government extended the period given to Mrs. Imelda Marcos and her family to return to the Philippines. The validity of the one-way travel documents granted to the widow of the late President Marcos extends up to October. The extension order was issued by Philippine Consul General in New York, Rodolfo Arizala.

Senator Maceda Resigns From Liberal Party

HK2008085591 Quezon City Radyo ng Bayan in Tagalog 0743 GMT 20 Aug 91

[By Neil Ocampo; italicized portioins in English]

[Text] The controversial news of Senator Ernesto Maceda's resignation from the Liberal Party erupted today. Here is the full text of his resignation letter:

Dear President Salonga,

For reasons already known to you, it is with deep regrets that I submit my resignation as a member of the Liberal Party. May I thank you and my erstwhile colleagues in the party for the privelege of having been associated with you. I wish you good luck in all your political undertakings.

Sincerely Yours,

Ernesto Maceda.

Meanwhile, here is the response of Senator Salonga, the Liberal Party president:

Dear Senator Maceda,

This is to formally acknowledge receipt of your August 19, 1991 letter of resignation from the Liberal Party. After consultation with ranking leaders of the party, I am constrained to accept with deep regret your resignation. Allow me to express to you my warmest regards and kindest thoughts.

Sincerely Yours,

Jovito R. Salonga, president, Libera! Party.

Urges Funds Disbursement Inquiry

HK2108054091 Manila MANILA BULLETIN in English 21 Aug 91 p 13

[By Robert R. Requintina]

[Text] Sen. Ernesto Maceda has resigned from the Liberal Party (LP) and told newsmen he would devote his time to serving as full- time campaign manager of Sen. Joseph Estrada who will compete in the presidential race.

Senate President Jovito Salonga, LP president and also an aspirant for the presidency in the 1992 elections, accepted yesterday "with deep regrets" the resignation after consultation with leaders of the party.

Meanwhile, Maceda has filed a resolution in the Senate calling for an inquiry into the allegedly irregular disbursement of Budgetary Aid to Local Government Units (BALGU) funds for politial purposes in favour of a political party.

He filed Resolution 1248 which charged that the funds were also used to secure protection from other political parties perceived to be "against the secretary (Luis N. Santos) of the Department of Interior and Local Government (DILG)."

Cardinal Sin Evaluates Five 'Presidentiables'

HK2108055191 Manila MANILA BULLETIN in English 21 Aug 91 pp 1, 13

[By Robert R. Requintina]

[Text] Jaime Cardinal Sin, archbishop of Manila, named yesterday five "presidentiables" and evaluated their chances in the 1992 national elections.

Sin identified the presidential aspirants as former agrarian reform secretary Miriam Defensor Santiago, former defense secretary Fidel V. Ramos, House Speaker Ramon Mitra, Senate President Jovito Salonga, and Sen. Joseph Estrada.

Speaking before the Rotary Club of Makati meeting at the Manila Peninsula Hotel on the "Obligations of the Church in the Coming Elections," Sin described the aspirants' traits and their weaknesses.

He said Santiago has the "intellectual astuteness, legal prowess, and unabashed articulateness." But he said he hopes "her intellectual prowess and articulateness would not imply a fearsome tendency to domineer, not to listen, and perhaps even to be dictatorial."

The prelate said Ramos has the "loyalty, bravery, and military competence." But he said he wishes the former defense chief's "loyalty and military competence were coupled with more inspiring vision and charisma."

Mitra, said Sin, has the "organization, stature, and political astuteness." However, he said, he hopes "the organization and political astuteness (of Mitra) does not connote the back-room, under-the-table, self-interested manipulativeness of the trapo (traditional politician)."

Salonga, the cardinal said, has "wisdom, patriotism, and sagacity" while Estrada has "popularity, nationalism, the pragmatically pro-people track."

But of Estrada, Sin said he wished that "the vital pro-poor concerns of the alternative politician would find an apt expression in a sober thinker, an articulate advocate and dynamic actor."

Although President Aquino has stressed that she will not seek reelection next year, the prelate praised her for her "religiosity, integrity, sincerity, and popularity."

And also he hoped that "(that) religiosity and integrity would not have to be associated with weakness and resignation."

Sin said the obligation of the (Catholic) church in the coming elections was that "it obligates itself to participate freely, responsibly, before God."

He identified anew the "three areas of urgent need" in which the Catholic faithful may get involved in, as the necessity:

1. To help build a "wise, informed, and formed electorate."
2. To insure "the existence of conditions that will enable voters to choose freely."
3. To "organize our people down to the precinct level to combat age-old practices calculated to falsify the expressed wishes of the people."

Sin called on the faithful to "discard" candidates who intend to win the election by the "terroristic powers of guns, money, and untrue propaganda"; those who already amassed guns, money, and manpower to win the elections; those who consider private property more valuable than human rights; and those who have no insights into social injustice done to the poor.

Senator Claims U.S. Offered Campaign Support

HK2108132591 Hong Kong AFP in English 1315 GMT 21 Aug 91

[Text] Manila, Aug 21 (AFP) - Senator Joseph Estrada said Wednesday a U.S. official offered his government's help in Estrada's campaign to be the next Philippine president if he voted for ratification of a draft military bases agreement.

Estrada, a nationalist legislator tipped by independent surveys as among the three most popular contenders ahead of the May 1992 presidential election, said a "ranking official" of the U.S. Government approached him with the offer Friday.

He declined to identify the official but said he rejected the offer. U.S. Embassy spokesmen here could not immediately be reached for comment.

U.S. and Philippine negotiators are currently finalizing a draft agreement that would grant U.S. forces access to Subic Naval Base, the main repair and supply yard of the U.S. 7th Fleet, for 10 more years after the current lease expires next month.

President Corazon Aquino, who has ruled out a second term, plans to submit the accord to the Senate for ratification, but a majority of senators have publicly expressed opposition to the treaty.

Estrada said the U.S. official told him the U.S. State Department was monitoring the surveys which showed the senator's popularity as a presidential candidate. Estrada plans to run on an anti-bases platform.

"The official told me the State Department would stop resisting my presidential bid if I would vote in favor of the new agreement," he told reporters.

Philippine Passports Said Sold by Syndicate

HK1908051591 Manila Far East Broadcasting Company in Tagalog 0100 GMT 19 Aug 91

[Text] There are increasing thefts of original Philippine passports at the Department of Foreign Affairs [DFA]. The syndicate involved reportedly includes several employees of the DFA who are in the payroll of the illegal group.

There is a report that in La Union almost 25,000 passports are being sold by the syndicate. The passports are sold for 1,200 Philippine pesos each. The passports are already complete and all the buyers do is place their photos on it. Many of the buyers are said to be Chinese.

Strikes Said Down for First Seven Months

HK2108050891 Manila BUSINESS WORLD in English 21 Aug 91 p 10

[By Arnold E. Belleza]

[Text] The industrial relations climate in the Philippines has maintained its peaceful course as shown by a 12.2% decrease in actual strikes/lockouts for the first seven months of the year, the Department of Labor and Employment (DOLE) yesterday said.

A National Conciliation and Mediation Board (NCMB) official told BUSINESS WORLD the continuing drop in strike/lockout cases was achieved because 1991 is not a period for collective bargaining agreement renegotiation; labor organizations have reached "a certain level of maturity" with regard to labor-management relations; and the mechanisms established by the labor department towards resolving labor disputes "have been very effective."

Strike Situationer

In a strike situationer submitted to Labor Secretary Ruben Torres, the NCMB reported that a total of 101 declared strikes/lockouts were registered from January to July this year as compared to 115 for the same period last year.

Workers involved in these cases dropped 40.2% to 28,250 this year from 47,214 in 1990. Consequently, mandays lost dropped by 18.2% to 535,000 this year from 654,000 last year, the NCMB said.

Notices of strikes/lockouts filed for the same period dropped 15.5% to 831 from 983 in 1990, with manpower involved dropping 20.8% to 180,594 this year from 227,920 last year.

Preventive mediation cases, tagged as an indicator of labor and management's preference for non-confrontational means of resolving labor disputes, rose 36% from January to July this year to 589 cases filed from 433 cases filed for the same period last year, the NCMB reported.

Abadia Confirms Contact With Renegade Honasan

HK2008125391 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 20 Aug 91

[Text] Armed Forces Chief Lisandro Abadia believes that his communication with ex-Colonel Gregorio Honasan will yield good results. Abadia also announced that he has already established contact with Honasan even as he denied that there can be any political settlement. He instead said that it is possible to arrive at a compromise when he negotiates with Honasan.

Bicol Region Rebels Deny Tieup With Honasan

HK2108044291 Manila PHILIPPINE DAILY INQUIRER in English 21 Aug 91 p 13

[By Danny O. Calleja]

[Text] Legazpi City—Communist rebels in Bicol have denied military report that local leaders of the New People's Army [NPA] and coup plotters led by Gregorio Honasan have forged an alliance for the toppling of the government of President Aquino.

"Wala sa simulain ng mga rebeldeng militar ang tunay na diwa ng pambansang pagkakaisa at pagkakapatirang pilipino sa pakikibaka sa imperyalistang U.S.," [The military rebels do not have the true spirit of national unity and do not want to separate from the U.S. imperialists] said Lirepil Tagumpay, spokesman of the National Democratic Front in Albay, in a letter obtained by the INQUIRER yesterday.

At this point the communist movement cannot entertain any deal with the putchists, Tagumpay said.

He, however, did not confirm or deny military reports that Honasan and his group met NPA leaders in communist-controlled territory in Bicol and Quezon province where the reported alliance was taken up.

The reports claimed that local communist leaders entered into an agrement with Honasan for NPA guerillas to mount attacks on military establishments in the countryside to be timed with the next coup attempt allegedly being planned by rebel military forces.

Reports added that Honasan and his group were seen in communist war zones in Bicol aboard a Mercedes Benz escorted by two Land Cruisers and two motorcycles in recent months, apparently establishing contact with local NPA chiefs.

Tagumpay said that while the Communist Party of the Philippines is willing to be aligned with all anti-U.S. forces under the principle of genuine nationalism, its has rejected the challenge raised by rebel soldiers for a concerted action towards a nationwide uprising.

"May pasubali ang kanilang hamon-dapat muna naming itakwil ang marxismo at Leninismo," [Their challenge has an exception that we must renounce Marxism and Leninusm] he said.

Even Bicol army chief Col. Victor Mayo doubted the report on the alleged Honasan-NPA tie up. He was quoted last week by HANDIONG, a Naga City weekly paper as saying that an alliance between communist rebels and renegade soldiers is something next to impossible.

Mayo said a Filipino soldier, whether with the mutinous groups or a government loyalist, is always anticommunist.

Government forces have been anticipating attacks by rebel soldiers through the Southern Luzon gateway to Metro Manila following reports of an impending coup attempt to be led by Honasan.

Fiscal Targets To Be Submitted for Approval

HK2108052191 Manila THE CHRONICLE in English 21 Aug 91 pp 1, 6

[By Rodney Diola]

[Text] The government has revised its fiscal targets for the year and is presenting a new fiscal spending and borrowing program to the International Monetary Fund.

Documents obtained by the Chronicle revealed that the government saw a substantial reduction in consolidated public-sector deficit (CPSD) by P [Philippine pesos] 7 billion to only P40.8 billion.

Public-sector borrowing requirement (PSBR), however, will jump to P28.4 billion, instead of just P24.7 billion targeted under an 18-month economic stabilization program with the IMF because of its partial debt bailout for the National Power Corp. and the Philippine Airlines.

The figures already include the effects of Mt. Pinatubo and the rollback in oil prices.

The PSBR includes borrowings to be incurred by the national government and the 14 monitored government-owned and -controlled corporations (GOCCs). A psoitive balance in the Oil Price Stabilization Fund (OPSF) means less PSBR.

The CPSD circumscribes the PSBR, but also includes the borrowings of the Central Bank. The PSBR is substantially reduced if there are cash surplus from government financial institutions and proceeds from the Social Security System (SSS) and the Government Service Insurance System (GSIS) and the local government units.

The revised figures were arrived at three weeks after the Mt. Pinatubo eurption.

It was learned that the eruption is seen to increase the expenses of the national government by P2.5 billion this year and the same amount next year. These separate figures were quoted in a Cabinet memorandum issued by Finance Secretary Jesus Estanislao.

Finance officials said the figures may be changed again, given the decision of the government to cut oil prices and to reduce the import levy.

Under the revised spending and revenue program, the national government expects to incur a deficit of P36.4 billion, compared with P26.6 billion under the IMF program.

Last year the national government's deficit hit P37.2 billion.

The surge in PSBR was mitigated by the expected surge in OPSF balance to P14.1 billion. This is much higher than the P3.3 billion programmed for OPSF collection with the IMF.

The national government's deficit this year is P9.6 billion bigger than the P26.8 billion deficit agreed upon with the IMF. Government expects to generate revenues of only P226.7 billion this year, as against expenses of P255.9 billion.

The revision of fiscal targets is expected to pave the way for a formal request on the new targets with the IMF.

Central Bank Governor Jose Cuisia and Finance Secretary Estanislao are attending a meeting with the IMF in Kuala Lumpur this week.

The ESP [expansion unknown] mandates that the PSBR does not exceed 2.1% of the gross national product (GNP).

Under the revised program, the PSBR will exceed by a 0.1% the target.

The new fiscal targets assume that the Philippines will be able to get a maximum of $300 million, or P9 billion, next year with the ratification of a treaty for the continued stay of the American bases in the country.

Thailand

Officials Remark on Developments in USSR

Prime Minister on Impact

BK2008144791 Bangkok Radio Thailand Network in Thai 1200 GMT 20 Aug 91

[Text] Prime Minister Anan Panyarachun told reporters at Government House this afternoon that agencies concerned had reported to him on the situation in the Soviet Union. However, the information he received was similiar to that reported by the mass media.

Asked whether or not the government will recognize the new Soviet Government, the prime minister said that this matter had not yet arisen and that it was not a big matter. Asked about the stock price plunge in Thailand following the changes in the Soviet Union, the prime minister said that the causes of the stock price plunge were in the Soviet Union and Moscow. He added that it is difficult for us to solve this problem. However, stock prices in foreign countries are now beginning to improve but stock investors in Thailand seem to be reacting more slowly.

Asked to comment on the news report that U.S. President George Bush has expressed support for Russian President Boris Yeltsin, who has come out to oppose the changes in the Soviet leadership, the prime minister said that it was a policy of the superpowers to react to the situation in a country in crisis. Thailand is a small country so we will have to watch for further developments.

Asked about the impact on the upcoming meeting of the Cambodian Supreme National Council [SNC] in Thailand to resolve the Cambodian problem, the prime minister pointed out that the situation was unlikely to affect the meeting. However, if the situation in the Soviet Union is still uncertain, we will have to wait and see what happens. The SNC meeting will not be affected. Prince Sihanouk will arrive in Thailand tomorrow for the meeting.

The prime minister said that Thailand would watch the situation in the Soviet Union as well as the reactions of the big countries and countries with great economic power. He said there will be no impact on Thailand but our country should follow the situation and the movements of the countries concerned.

Developments Monitored

BK2108023591 Bangkok THE NATION in English 21 Aug 91 p A1

[Text] Prime Minister Anan Panyarachun said yesterday Thailand is watching developments in the Soviet Union while ASEAN member countries maintain close contact on the matter.

The Finance Ministry and Bank of Thailand were told yesterday to monitor developments and assess any possible impact on the national economy.

The Foreign Ministry has also set up a task force to monitor events for the Government.

The task force, centred at the Political Affairs Department's Europe Division, will analyse developments and feed the findings to the Government.

Mr Anan said an immediate assessment of the situation is still not possible because of uncertainties, but he did not expect Moscow to alter its major policies.

The Cabinet yesterday discussed the possible economic impact of the changes, but felt it was too early yet to make any predictions.

Thailand is watching how the superpowers react, but the Cabinet does not think the problem will have any direct impact on Thailand, he said.

The Premier said the ASEAN countries are exchanging information on the matter.

"We will have to see how events unfold over the next few days, but everybody is harbouring concern about the direction in which the Soviet Union is heading," he said.

Mr Anan said the change of Soviet leadership is unlikely to have a major impact on the meeting of the Cambodian factions and United Nations Permanent Five members in Phatthaya next week.

Cambodian Supreme National Council chairman Prince Norodom Sihanouk is scheduled to arrive in Bangkok today to attend the meeting.

Army Commander Gen Suchinda Khraprayun said Thailand has nothing to lose regarless of who came out on top in the Soviet Union.

"Regardless of the winner, the status of the Soviet Union will be weakened, economically and otherwise, and this should result in its reduced support for countries in this region," he said. "This should be a positive development for Thailand."

Thai Ambassador to Moscow Kasit Phirom said yesterday that over 300 Thai citizens now in the Soviet Union shold not be affected by developments.

The ambassador, who arrived in Bangkok shortly before the coup to head a touring Soviet trade mission, said the Thais are in cities such as Kiew and Leningrad with very few in Moscow.

Mr Kasit also said the Thai Embassy has an emergency supply of food which could last for several months.

Soviet Embassy Given Protection

BK2008141791 Bangkok Army Television Channel 5 in Thai 1230 GMT 20 Aug 91

[Text] Today the Yanawa District police station dispatched a number of uniformed and plainclothes policemen to provide security in front of the Soviet Embassy in Bangkok to prevent any untoward incident or sabotage. Anonymous callers had telephoned several newspaper offices, news agencies, and television stations to say that people who opposed the coup in the Soviet Union would demonstrate in front of the embassy at 1100 and 1300. The demonstration did not take place as claimed. The situation around the embassy remained normal.

Envoy to USSR Comments

BK2108033591 Bangkok THE NATION in English 21 Aug 91 p B1

[Text] Thai Ambassador to Moscow, Kasit Phirom, said yesterday that the dramatic political change in the Soviet Union was not likely to have any impact on bilateral economic relations.

Kasit is accompanying a 17-member Soviet trade delegation, led by Georgiy I. Kozlov, chief expert from the Ministry of Foreign Economic Relations, scheduled to hold talks with counterparts in Thai public and private sectors on ways to strengthen trade relations.

Kasit said the Thai government's plan to strengthen trade activities with the Soviet Union would not be affected by the political change, and added that the Soviet Union was in need of consumer products, which could be readily supplied by the Thai.

The trade mission is scheduled to participate in a seminar on international trade with the Federation of Thai Industries today at Hotel Siam Inter-Continental. The objective is for both sides to learn more about the level of their countries' economic development and market conditions.

Potential joint venture projects such as textile, shipbuilding and tourism will be identified, including goods that can be traded between the two countries.

Kasit confirmed that the trade mission's activities in Bangkok would proceed according to schedule, in spite of the concern about the political situation in the Soviet Union.

Kasit said the trade mission was also seeking to lay down a strong foundation for prosperous business and commercial contacts between the two countries in the future.

"They need to buy and sell to feed their nearly-three-hundred- million population despite the political change," the ambassador said.

He said he believed Soviet Union would continue with its reform policy to liberate a centrally-controlled economy to allow for more participation from the private sector, and to acquire technologies through cooperation with foreign countries.

The mission comprises delegates from government and private sectors of the union government and the other republics, including the Baltics, Ukraine and Belorussia representing trade, investment, industry, tourism.

The Soviet mission also planned to meet representatives of the Thai Chamber of Commerce and visit Thai factories and department stores.

"They are in good spirits and eager to know about Thailand, and are amazed by our economic growth and development. And almost every one in the delegation is visiting Thailand for the first time", Kasit said.

USSR Envoy-Designate Remarks

BK2108023991 Bangkok THE NATION in English 21 Aug 91 p A3

[Text] The Soviet Ambassador designate to Thailand Oleg V. Bostorin said yesterday the coup in the Soviet

Union would have "no adverse impact" on the international community including the effort to resolve the Cambodian conflict.

Speaking after his first courtesy call on Foreign Minister Asa Sarasin, Bostorin said the Monday military takeover by communist hardliners came as "a surprise" to him but that the acting Soviet president Gennadiy Yanayev had pledged no changes to Soviet foreign policies.

"I didn't expect that. It is a surprise to me," said the 60-year-old envoy, adding that "according to the declarations made by acting President [Yanayev], there will be no adverse impact on the situation in the international arena."

Asked if the ongoing Cambodian peace process might be negatively affected by the political change in Moscow, Bostorin, who is awaiting new credentials from the new Soviet ruling administration, said he doubted if that would be the case.

"I have no information on this, but I doubt that you are right," he said.

There was widespread fear that the coup by hardline conservatives might harden the position of Vietnam and the Cambodian government it installed in Phnom Penh during the Aug 26-28 meeting of Cambodia's Supreme National Council in Phatthaya.

Commenting on the same question, Asa said he could not yet say if the coup would have any effect on the Cambodian peace attempt, but said "Cambodia situation is not related to to what's happening in the Soviet Union." "At this time, we don't know [if there would be any effect]. We still have to follow the situation [in the Soviet Union] very closely," said the foreign minister.

The envoy said Soviet Deputy Foreign Minister Igor Rogachev, who is scheduled to arrive here on Aug 28, will pursue his itinerary here as planned. Rogachev along with ministers or senior officials of the five permanent members of the UN Security Council are to hold two-day talks right after SNC forum.

"According to the knowledge I have up to this moment, he [Rogachev] is going to come," said Bostorin.

Apart from the Soviet Union, China is sending Vice Minister for Foreign Affairs Xu Dunxin, while the United Sates will be represented by Assistant Secretary for East Asian and Pacific Affairs Richard Solomon, France by a high ranking official, and Britain by a deputy Foreign Office minister.

Prime Minister Anan Panyarachun, meanwhile, plans to meet Cambodian leaders two or three days before their talks start in Phatthaya.

Bostorin, who arrived in Thailand early this month, was initially scheduled to present his credentials to His Majesty the King today. However, his audience with the King at 5 pm was postponed due to the coup in Moscow.

Asa also mentioned that he believed Moscow would certainly at this period concentrate on its domestic affairs and that the takeover should not be interpreted as making only "negative impacts." "The change is an internal affair and nothing is clear as yet," he said.

At the same time the Foreign Ministry had set up a special task force comprising officials from the departments of political affairs, economic affairs, international organizations affairs, and information to closely monitor the situation in the Soviet Union. The task force will assess the development there and make immediately recommendations or suggestions to the government for quick responses to media enquiries.

Ambassador Designate Bostorin is not new to the region. He served twice as junior officer to the embassy in Bangkok in the 1960s and was ambassador to Singapore, the Philippines and Cambodia. His last post before returning to Thailand was as a director-general at the Foreign Ministry's South Asia Department.

Thai Ambassador to Moscow Kasit Phirom, meanwhile, said there was no sign of political turmoil before the military takeover and the embassy has been keeping in touch with every political and economic development in the country.

Kasit who accompanied a Soviet trade mission to visit Thailand since Sunday, one day before the coup said the political change in Soviet Union would not affect the Thai community living there.

There are about 300 Thais including 50 students and 20 embassy staff and their dependents staying in Moscow and other cities including Leningrad, Kiev and Minsk and Silovia. Thai workers are mostly employed in Leningrad.

Kasit said he was informed that in the case of an emergency, food the stockpile at the embassy was enough to feed the staff for several months.

Army Commander on Changes

BK2008151591 Bangkok Radio Thailand Network in Thai 1200 GMT 20 Aug 91

[Text] Answering reporters' questions on whether or not the political changes in the Soviet Union will have an impact on Thailand, General Suchinda Khraprayun, Army commander and deputy chairman of the National Peacekeeping Council, said that there would be no impact on Thailand. He added that if there was any impact at all, it would be indirect. However, we should be optimistic.

The Army commander said he thought that the changes in the Soviet Union would weaken that country's status as well as its economy. In addition, the Soviet assistance to countries in this region may be reduced, which would be good for Thailand.

Bank Governor on Investment Prospects

BK2108050391 Bangkok BANGKOK POST in English 21 Aug 91 p 7

[Excerpt] Political upheaval in the Soviet Union may have a positive economic impact on Asian and Pacific region countries, according to Bank of Thailand Governor Wichit Suphinit.

Mr. Wichit said Monday's military coup could convince potential investors wanting to invest in the Eastern Bloc to change their minds and target the Asian and Pacific region instead.

He said the political incident was not expected to have far- reaching repercussions on the world economy, which had a solid base and had been on an upturn. [passage omitted]

SRV Holds Businessman, 2 Fishery Officials

BK2008022591 Bangkok THE NATION in English 20 Aug 91 p A3

[Text] A Thai businessman and two Thai fishery officials were "invited" by Vietnamese authorities "to remain" in Ho Chi Minh City for questioning regarding the prior "corruption cases" of some southern Vietnamese officials.

Charoen Chantha-itsara, president of Pattani Fisheries Association, Chief of Overseas Fishery Department Saran Phetphirun and his colleague, Chalieo Chonlathan, were reportedly detained in Ho Chi Minh City as they were about to board a flight back to Thailand on Sunday.

The Thai Embassy in Hanoi, contacted from Bangkok yesterday, confirmed that the three Thais were still in Ho Chi Minh City.

An embassy official said Saran had called the embassy to report the incident yesterday morning.

Saran said he and the two other Thais were told by Vietnamese officers that they "were invited to remain in Ho Chi Minh City as possible witnesses to corruption cases that had been brought against some Vietnamese officials in Vung Tao-Con Dao Province," said the official.

The official said the report on the case was still sketchy and that the embassy has requested Vietnamese police officers to provide more information and details of Sunday's incident.

The embassy had informed the Foreign Ministry of the case, the official added.

"We are asking for details and clarification from the Vietnamese police as to why the three Thais were not permitted to leave... We were told by Mr Saran that they were not being held by the police and were told that they could leave at any time. But, they were invited to stay back for questioning...Right now, they are staying with a Thai family in Ho Chi Minh City," the embassy official cited Saran as saying.

Charoen and the two Thai officials were on a four-day mission to Ho Chi Minh City on August 13-16 to follow up an earlier agreement on seven joint ventures in the fishery-related industry with Vietnamese Government-owned Sowesfood Co.

The Bt1,000-million projects were signed last November between Fisheries Department Director-General Plotprasop Suratsawadi and Sowesfood on a 50-50 investment basis. Thailand has already presented the Vietnamese side with details of the seven projects but so far nothing has been forthcoming from the Vietnamese partner, according to informed sources.

The sources said Charoen had planned during his visit in Vietnam to negotiate for the release of some of his fishermen, who were arrested for illegally fishing in Vietnamese waters, said the sources.

Japanese Trade Minister on Investment

BK2108055391 Bangkok THE NATION in English 18 Aug 91 p B3

[Text] Thailand will continue to be an attractive investment location for Japanese investors if it can overcome its constraints in infrastructure, human resources and technology, said Japan's Minister of International Trade and Industry (MITI) Eiichi Nakao.

Nakao also urged the Thai Government to develop the northern and southern regions as alternatives for incoming foreign investors who have to face high rental charges of office space and land for factories in Bangkok and neighbouring provinces where a large number of industries are located.

In an interview with THE NATION on Friday, Nakao acknowledged that there was a sharp drop of Japanese investors to Thailand in the past several months, but said the trend should not pose any concern to Bangkok as the drop was due partly to the shift of some labour intensive industries to "lower-cost" countries such as Indonesia, the Philippines and Indochina.

According to Siam Commercial Bank's research office, although Japan continued to lead the pack of investors seeking the BoI [Board of Investment] promotional privileges in the first half of this year with 66 applications, the number represents a drop of 13.2 per cent.

Foreign investment in general continued to fall significantly by 49.7 per cent to Bt [baht] 58.59 billion in the first half of the year while projects funded by local capital and promoted by the BoI declined by a far larger percentage at 65.9 per cent, the bank said. Local investment accounted to Bt18.20 billion during January to June.

At this stage, Nakao suggested Thailand concentrate on developing high value added products than holding on to those produced by labour-intensive industries where Bangkok's comparative advantages are eroding fast.

Nakao agreed with the Board of Investment's ongoing efforts to promote investment in electrical and electronic industries, auto- assembling and chemical industries, but stressed that the development of personnel and technological capability for these emerging industries had to be carried out on a parallel basis.

He warned that without a strong technological and human base for these new industries which require huge investment outlay and less workers, the overall development process might be suffered in the short and long term.

The bank added that the top three types of industries being promoted in the first six months also reflected the shift in Thailand's promotional criteria and in the interest of foreign businessmen investing here. Electronics, hotels and metal-working are cited.

Despite this encouraging trend, most of the projects are still condensed in Bangkok, the central region, the east and the west. The northern and southern regions did not gain much popularity because of its long distance and inefficient transportation means linking the two areas with the rest of the country.

Discarding the local political situation as a factor in less foreign investment, Nakao emphasized that rising land prices, expensive office rental fees, infrastructure bottleneck and a surge in labour wage have combined to drive away some Japanese investors contemplating to invest here.

He expected the growth rate of Japanese investment to sustain at this level in the near future following a ten-fold increase during 1986-1989.

"The peak period (of Japanese investment in Thailand) has gone. We expect to see a period of consolidation now. This year and the last will see the greatest number of new Japanese factories (approved by the BoI during the peak years) opening," Nakao said.

Meanwhile, a major Japanese trading group in Chiang Mai, Grand Five Corp, complained that the Persian Gulf War and the military coup at the beginning of this year have had lasting impact on the group's business in the northern tourist city.

Sales at each of its six outlets nosedived from Bt100,000 a day to only around Bt10,000, Sobun Tsukigawa, president of the group said, adding that some Japanese investors in the province have already moved their operations to Malaysia in this light.

Kenyan Foreign Minister Visits; Ties Discussed

BK2108034891 Bangkok Radio Thailand Network in English 0000 GMT 21 Aug 91

[Text] Foreign Minister of Kenya Wilson Ndolo Ayah has been on his three-day visit to Thailand.

Thai Foreign Minister Asa Sarasin said after holding talks with Mr. Ayah on Monday [19 August] that the visit was the second of its kind aiming at enhancing cooperation between the two countries and bilateral trade and investment.

Moreover, Mr. Ayah has asked Thailand to provide technical assistance to Kenya in agriculture, especially in rice planting, and jewelry production, because Thailand has a plenty of specialists in those fields and the Thai Government is willing to share the expertise with Kenya.

Mr. Asa said that Kenya's trade mission will be visiting Thailand this October to promote bilateral trade and economic ties between the private sectors of both countries.

Representatives of the two countries will sign an agreement on aviation and the prevention of double-taxation.

Fisheries Deny U.S. Charges Over Burmese Shrimp

BK2008030391 Bangkok THE NATION in English 20 Aug 91 p B22

[Text] The director general of the Fisheries Department has strongly denied an allegation that Thai shrimp exports to the United States had surged because of supply from Burma.

Plotprasop Suratsawadi said the five-fold increase in US imports of Thai shrimp last year merely reflected the increasing popularity of Thai shrimp among American consumers.

Last week, US Democrat Patrick Moynihan asked the US Customs Department and the Food and Drug Administration [FDA] to tighten inspection of shrimp from Thailand and Burma citing health as the main reasons. Both agencies were asked to compound the shrimp shipments if inspection shows that they are not hygienic.

Moynihan alleged that the high shrimp imports, to the US, from Thailand were a result of increasing supply from Burma. He is spearheading action against Burmese goods due to Rangoon's repressive regime. Earlier, the congressman wanted to ban imports of teak products from Burma through Thailand.

Thailand's shrimp exports to the US during the first half of this year amounted to more than the volume shipped to the US for the whole of 1990. This year's exports are expected to reach Bt5 billion.

Exporters said they have been strictly following the US FDA's rules with rigorous inspection. They didn't understand what Moynihan was trying to do.

Plotprasop said there has been increasing consumption of shrimp in the US. He brushed aside the allegation that Thai shrimp has a quality problem saying that Thailand has been exporting the product to Japan without a hitch. Japan is a larger market for shrimp compared to the US.

He also said most of the Thai shrimp exported worldwide came from farms. Thailand is farming about 500,000 rai of shrimp. Total exports last year were 90,000 tonnes compared with 70,000 tonnes in the previous year. It was normal that higher production led to higher exports.

The director general also added that the fishing done in Burma was for fish and not shrimp.

"I want to reaffirm that we ourselves produce the shrimp and have not been importing it from anywhere. The issue (raised by Moynihan) is political in nature. But I don't think the US congressman would act without reason. Maybe he got wrong information," Plotprasop said.

He noted that the congressman's order would only lead to panic among US shrimp importers which could cause a drop in shrimp price. A letter explaining the situation would be sent to Moynihan.

The official said any nation can trade with Burma. "I like to ask Mr Moynihan about Pepsi and Coca-Cola's investment in Burma."

He said the Thais and Burmese enjoy a brotherly relationship and it would continue. He called on Thai exporters not to panic and asked the brokers not to take advantage of the situation to depress the shrimp price.

Foreign Investors Dump Shares 'at Any Prices'

BK2108031991 Bangkok THE NATION in English 21 Aug 91 p B1

[Text] Foreign investors have ordered fund managers of closed-end foreign funds to dump shares "at any prices" to get out of the vulnerable Stock Exchange of Thailand [SET], sources said yesterday.

The sources said the foreign investors were willing to absorb the losses since they could not foresee when the Thai exchange will stabilize. "There was no limit on the selling prices. They just want to get out and hold cash," said one of them.

The across-the-board selling orders took off on Monday when news of the coup inside the Soviet Union reached the Thai stock exchange, which has already been hard hit by weak international buying. Sources said that the Thai market was already very vulnerable in the eyes of the foreign investors given the uncertain political outlook.

The stock exchange tumbled quickly by 38 points in the first 15 minutes of the session to 647, reflecting the speculators' panic selling on the second day of the Soviet coup. The fall was reminiscent of the outbreak of the Gulf crisis in August last year, with the SET index nosediving steadily from the peak 1,129.36 on Aug 2 to 544.30 on Nov 30, 1990.

Dr Kongkiat Ophatwongkan, managing director of Baring Research Ltd, said the panic at the stock market reflected the predominant activity of the short-term speculators, which was not unexpected.

He said investors are facing a dilemma in the market in that it is too late to place selling orders and at the same time buying now might be too quick because nobody knows for certain at what point the market will stabilize.

He admitted that there is strong selling pressure on the part of the foreign investors, but they have set the limit of the selling prices instead of selling the equities at floor prices.

Kongkiat said the impact of political crisis inside the Soviet Union will not have an impact on the Thai trade because bilateral trade is very small at the present.

"What the people are afraid of is the shift in the balance of power if the hard-liners in the Soviet Union succeed in holding their grips of the country. This will affect the balance of power in the Middle East, including the stability of the long-term oil prices," he said.

Yesterday the stock market hit as low as 50 points in the second hour of the session before some bargain hunting brought it back to close at 622.81, shedding a total of 42.89 points amid high volume of Bt [baht] 3.82 billion. More than half of the total 250 securities on the exchange board were selling at floor prices.

Sources said both the brokers and government-sponsored Ruam Patana Funds had yet to enter the market.

Dr Narongchai Akkhaseni, chairman of GF and Securities Co, suggested that in the short term small portfolio holders should be buying some bargained securities because the price of most securities are fairly low, but large portfolio investors should be reducing their holdings because of the downward trend of the market.

Police Arrest Medicine Patent Violators

BK2108045391 Bangkok BANGKOK POST in English 21 Aug 91 p 6

[Text] Mae Sot—Crime Suppression Division police raided two houses in this district town yesterday afternoon and arrested 21 people on charges of producing imitation brandname medicines, police reported last night.

Police arrested the owner of the houses, Mr Chot Silachan, 28, and the 20 staff comprising 4 Thais and 16 Karens.

Police alleged that Mr Chot turned his two houses into a factory to produce the imitation medicine which would be smuggled to markets in Burma, Bangkok and other provinces.

Police said they confiscated some samples of the fake medicine, chemical solutions and equipment.

Police sent the fake medicine to Bangkok for examination.

The 21 suspects have been detained at the district police station for further questioning.

Army General Named Head of Security Council

BK2108030991 Bangkok THE NATION in English 21 Aug 91 p A4

[Text] An army general from the Supreme Command will take over the National Security Council [NSC], succeeding outgoing NSC Secretary General Suwit Suthanukun, the Cabinet decided yesterday.

Deputy Premier Pol Gen Pao Sarasin, who is in charge of security matters, said that Gen Charan Kunlawanit would be moved from the Supreme Command as chief staff officer of the supreme commander to take over the top security post in the civil service.

Suwit will retire at the end of October.

The move has provoked an objection from the Civil Service Commission which says that an insider should be promoted to the top NSC post.

Pao refused to comment on the criticism and appeared awkward when asked whether the military had requested Charan's appointment.

Second in line to succeed Suwit from within the NSC was Khachaphai Burutphat. Suwit had been handpicked as NSC secretary general by his predecessor, Sqn Ldr Prasong Sunsiri, who is now working for former army chief Gen Chawalit Yongchaiyut as acting secretary of his New Aspiration Party.

Critics said that Charan's transfer to the NSC would create a vacant post for the promotion of another military officer to the rank of full general.

Charan is the younger brother of Deputy Supreme Commander Gen Phichit Kunlawanit, who will be moved to the Defence Ministry as deputy permanent secretary in the annual military reshuffle effective Oct 1. Charan served as Gen Sitthi Sawetsila's personal chief of staff when the latter was foreign minister.

The Cabinet approval of Charan's appointment came amid speculation that another army officer would this October replace Gen Atthaya Phaeopanchon as director of the National Intelligence Agency.

Lt Gen Ayuphun Kannasut has been tipped to succeed Gen Atthaya following the Feb 23 coup which resulted in his being seconded from the army to replace Lt Gen Kamon Thappharangsi as NIA deputy director.

Government Not To Subsidize Rising Oil Prices

BK2108035391 Bangkok THE NATION in English 21 Aug 91 pp B1, B24

[Excerpt] The government did not intend to subsidize oil prices shooting up in the wake of the Soviet military coup, PM's [Prime Minister's] Office Minister Phaichit Uathawikun was quoted as saying yesterday.

Phaichit chaired a meeting with major oil companies to exchange information on the world crude price and supply outlook, following the removal on Sunday of Soviet President Mikhail Gorbachev by party hardliners.

The government floated retail oil prices a few months ago and wholesale oil prices last Monday. The liberalization came at a most unfortunate time because of the Soviet coup which caused a panic increase in crude prices.

Spot prices of Oman crude yesterday edged up US$0.40 per barrel to US$17.90 on Monday, Tapis by US$0.30 to US$20.70 and West Texas by US$1.21 to US$22.50. The spot price for liquified petroleum gas from Singapore rose US$1.35 per barrel to US$29.60, diesel by US$2.15 to US$28.25 and bunker oil by US$0.22 to US$12.61 per barrel.

The increase in the price of crude in the past two days by US$2 per barrel is expected to lead to an increase in the retail oil price in Thailand by about Bt [baht] 0.30 per litre next week.

Prasoet Bunsamphan, deputy governor for marketing of the state- owned Petroleum Authority of Thailand [PTT], quoted Phaichit as saying the retail and wholesale prices had been floated and the government would no longer subsidize oil prices.

He said PTT would be adjusting prices up slowly to minimize burden on consumers. The agency had sufficient stock to maintain current prices for another five to 10 days.

He said refineries and oil companies continued to use the old pricing formula, which was slow to adjust because they had been unable to agree on the new formula, following the wholesale price liberalization effected on Monday.

Smith Tiemprasoet, executive director of Esso Standard Thailand Co, said the government would have to explain its non-intervention policy to the public.

Prasoet said before yesterday's meeting, however, that the government could use the Bt5-billion surplus Oil Fund or money kept for the formation of the Environmental Fund to subsidize oil prices.

The agency was afraid the public would not understand the oil price flotation.

If money from the environmental tax on oil was used to subsidize oil prices, the government would have room to keep domestic retail oil prices at the current level even if crude price went up by US$2 per barrel.

For example, the retail oil price of unleaded premium benzine is now sheltered with a tax of Bt0.451 per litre.

"The Oil Fund is not being utilized. The government should use it in case of emergency. If the retail oil prices go up the people may not understand and think that the oil price flotation will do more harm than good," Prasoet said.

The environmental tax on premium benzine is Bt0.496 per litre, regular benzine Bt0.451 per litre, kerosene Bt1.52 per litre, high- speed diesel with one-per-cent sulphur Bt0.334 per litre, high-speed diesel with 0.5-per-cent sulphur Bt0.3982 per litre, slow-speed diesels Bt0.334 per litre and bunker oil Bt0.163 per litre.

Prasoet said oil workers in the Soviet Union had not gone on strike. The country produces about 10 million barrels of oil daily of which 2 million are exported mostly to countries in Eastern Europe. [passage omitted]

Forum To Challenge World Bank, IMF Policies

BK2108045991 Bangkok BANGKOK POST in English 21 Aug 91 p 3

[Text] Thai non-governmental organisations [NGOs] will organise a "people's forum" to challenge the policies and programmes of the World Bank and the International Monetary Fund when the global organisations hold their annual meeting in Bangkok in October.

Thai communities feel it is extremely important to challenge the mainstream development policy during the meeting, the chairman of the Thai NGOs Coordinating Committee on Rural Development, Dr Sane Chamarik, said yesterday.

The NGOs' meeting is aimed at telling the organisations directly that the "success" of development programmes financed by the World Bank, the IMF and other mainstream development institutions has never reached underprivileged people, Dr Sane said.

A Thai working committee consisting of representatives from five prominent thai NGOs was formed nine months ago to plan the forum. They are the Thai Volunteer Service, the Thai Development Support Committee, the Local Development Institute, the Project for Ecological Recovery and the Thai NGOs Coordinating Committee on Rural Development, which is a coalition of 220 organisations.

They met yesterday under the chairmanship of Dr Sane to map out their strategies.

Thailand is often projected as a model of successful development strategies because of its recent economic growth surpassing 10 per cent per annum in the last three years, Dr Sane said. But behind such economic success lies a record of widespread suffering, economic degradation, economic injustice, human rights violations and social conflicts which raise forcefully the question of how many people are actually benefiting from the economic boom.

The Thai NGOs cited the plight of 10 million forest-dwellers who are considered trespassers by the Government and are being forced to leave their land as a result of a national forest policy to promote commercial reafforestation.

The coastal ecosystem is being destroyed and fishing families are losing their livelihood because of shrimp farming which is ruining mangrove forests.

Rice farmers in the Northeast are losing their livelihood because of a dramatic increase in rocksalt mining for the petrochemical industry.

The Thai NGOs also said slumdwellers are in a crisis, facing eviction as a result of increased urbanisation and land speculation.

"We hope to challenge prevailing development strategies in Thailand and around the world and to present alternatives," Dr Sane said.

The forum will consist of a three-day meeting of Thais and a six-day international session.

These will be held at Chulalongkon University from October 8 to 18. The World Bank-IMF meeting takes place on October 15 to 17.

The Thai meeting will be attended by 500 representatives of various organisations. About 140 people from around the world are expected for the international session.

The NGOs' forum will focus on the presentation of case studies on forestry, industrialisation and urbanisation.

Vietnam

Hanoi Carries 'Radio Comment' on U.S. Relations

BK2008122091 Hanoi Voice of Vietnam in English 1000 GMT 20 Aug 91

[Radio commentary]

[Text] American public opinion has been paying much attention to Vietnam-U.S. relations. Here is our radio comment on this issue:

Many Americans who visited Vietnam this month have acknowledged Vietnam's goodwill in its relations with the United States.

This month alone, Vietnamese party leader Do Muoi received two American delegations. They included Senator John Kerry and his party and Congressmen Thomas Richard Carper, Peter Peterson, and others.

Speaking on those occasions, the American guests thanked the Vietnamese Government for creating favorable conditions for American scientists to come here to study Vietnam's economic situation and develop cooperative ties with Vietnamese scientists. Senator John Kerry appreciated Vietnam's goodwill and effective cooperation in the search for missing Americans. He also hoped that the relations between the U.S. and Vietnam would be improved soon through, among other things, the lifting of the present trade embargo against Vietnam.

Early this August, the U.S. CNN network screened the reportage titled "Return to Vietnam" shot by its reporters in Vietnam. On Vietnamese-U.S. relations, CNN commented that the common aspiration of the Vietnamese people is to normalize relations with the United States. This was expressed through brief interviews with Vietnamese ministers, politicians, and ordinary people.

Meanwhile, American opinion demands that the U.S. Government lift its trade embargo against Vietnam. In a briefing of the situation to a group of six American congressmen on their way to Indochina at the American Chamber of Commerce in Thailand on 6 August, businessman (Raymond Eton) held that the U.S. absence in Vietnam is due to its trade embargo against that country. Therefore, Japan is becoming a big trade partner of Vietnam. Mr. (Raymond Eton), a staff of the U.S. Chamber of Commerce, would urge Washington to lift its trade embargo against Vietnam, drawing the attention of American businessmen to their missing opportunities to do business with Vietnam in the search for oil and gas and other areas.

Last month, the American newspaper CHRISTIAN SCIENCE MONITOR carried a report filed from Vietnam, saying that the Seventh National Party Congress of the Communist Party of Vietnam [CPV] abolished all suspicions on Vietnam's [word indistinct] in economic renovation.

In an article carried by an American newspaper recently, Ms. (Kelly Nelson), researcher of Asian Trade Affairs in Washington, stressed that it is time to normalize relations with Vietnam. This is beneficial to both sides.

Hanoi Reports on Soviet Coup Situation

BK2108071191 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 20 Aug 91

[Text] According to the Soviet news agency TASS, speaking at a news conference on 19 August, Soviet Acting President Yanayev said the Soviet leadership intends to pursue the line initiated by Gorbachev since 1985. Attending the news conference were Baklanov, first deputy chairman of the Defense Council directly subordinate to the Soviet president; Pugo, Soviet minister of the interior; Starodubtsev, chairman of the Soviet Farmers' Union; and Tizyakov, president of the Association of State Industrial, Construction, Communications, Transport, and Postal Enterprises and Establishments.

Commenting on Mikhail Gorbachev's health, Yanayev informed those present that Mr. Gorbachev is now resting and undergoing medical treatment in Crimea. Yanayev stressed that Gorbachev's health has, in fact, declined considerably over the past years and he needs some time to recover. Yanayev also expressed the hope that after recovering Gorbachev would be back to work to perform his duty.

In a statement last night [19 August], the State Committee for the State of Emergency in the Soviet Union gave a preliminary assessment of the situation on the first day of the state of emergency. The statement says:

The committee has received many messages from citizens voicing their support for the measures being adopted to spare the country from crisis. The people have sighed with some relief. In general, no serious problems have been reported so far. The first reaction abroad to the events in our country is also characterized by certain understanding. Naturally, there are also signs of mistrust and apprehension in the country. This, however, can easily be understood because in recent years many tasks had not been carried out in accordance with their set targets.

The statement also criticizes the appeal by leaders of the Russian Federative Republic, considering this a jarring note couched in confrontational terms. The statement warns against irresponsible and unwise actions by the Russian leadership and once again affirms the principle of supremacy of the Soviet Constitution and Soviet laws on the entire territory of the USSR.

In Kazakhstan, the Kazakh president appealed to the people of the republic to maintain calm and restraint, saying that any emotional and inconsiderate action by any of us may trigger the gravest social unheavals. In his appeal to all units of the Armed Forces, security forces, and Soviet Interior Ministry units stationed on the territory of Kazakhstan, the president also expressed the conviction that they will remain loyal to constitutional norms and respect all individual rights and local administrative organs. He stressed particularly that the state of emergency will not be imposed in Kazakhstan and that its entire administration, according to the declaration on the state sovereignty and Constitution of the Kazakh SSR, belongs to the Soviet organs.

In Georgia, in a statement on 19 August, the President of Georgia, the Presidium of the Supreme Soviet, and the Government of Georgia called on the people to maintain calm, order, and discipline in face of the present situation. They particularly called on all central and local administrative organs and political and social organizations in the autonomous republics to take into consideration the need for coordinated action.

In Lithuania the prime minister of the republic said: We should confidently carry out our work, maintain calm, and especially not confront the Army. He expressed the hope that the firm stand and unity of the people of the republic will help it overcome the crisis.

In Estonia, in a 19 August meeting under the direction of the president of the Supreme Soviet of the Estonian Republic, the National Defense Council issued a statement saying that all administrative organs and the Government of Estonia will continue the policy of restoring the republic's peace and independence despite the present complex situation.

In Armenia, addressing a meeting of party leaders and the mass media, the President of the Supreme Soviet of Armenia urged all political parties, sociopolitical organizations, political forces, and the mass media to exercise maximum restraint and caution and avoid making assessments, conclusions, and comments in a hurry. He also stressed that the first and foremost duty of society and the entire people and administrative organs is to scrupulously observe order, law, and discipline and avoid meetings or demonstrations.

In the Ukraine, in a televised speech on 19 August, the chairman of the Supreme Soviet of this republic called on the people to stay calm, exercise self-restraint, and avoid making a hasty evaluation of the ongoing serious political events in the Soviet Union. Kravchuk said: A state of emergency will not be imposed in the Ukraine. We must defend the law and democracy, establish law and order in society, and defend everyone's interests. We must act in such a way as to avoid spilling the blood of innocent people.

On 19 August in the United States, after learning that Gorbachev was unable to perform his duty as president of the Soviet Union due to health reasons and that Vice President Yanayev has replaced him in this position as of 19 August, U.S. President Bush returned to Washington from his vacation in Maine to discuss the event with his aides. Bush said: While we are closely monitoring this unclear, completely unclear situation, it seems that one thing is clear—that it is an act that goes beyond the framework of the Constitution.

On 19 August in Britain, British Prime Minister Major described Gorbachev's replacement as unconstitutional, but he expressed hope that this is not a sign of a return to the Cold War. Major said: The West did not have any advance knowledge of this event, but obviously we have always been aware of the existence of this possibility.

In Germany, after learning that Gorbachev was replaced, Chancellor Helmut Kohl cut short his vacation in Austria and returned to Bonn. In Bonn, Kohl said: I call on responsible people in the Soviet Union not to use force and to avoid bloodshed. German radio sees the replacement of Gorbachev as a big setback for Mr. Kohl.

In France, the French Foreign Ministry said: The elimination of Gorbachev, if a permanent action, would be a big event, especially when accompanied by the imposition of a state of emergency.

During an interview with French television, French President Mitterrand said: The replacement of the Moscow leadership amounts to running against the currents.

NATO Secretary General Manfred Woerner said: The elimination of Gorbachev has aroused great concern and Western allied countries have called for an emergency meeting of high-level NATO officials.

According to a 20 August XINHUA report, in a printed statement a spokesman for the Chinese Foreign Ministry said the elimination of Gorbachev is the internal affair of the Soviet Union and bilateral relations will not be hampered. The statement says: The developments that have taken place in the Soviet Union are the internal affairs of that country. It is the consistent policy of the Chinese Government to oppose any interference in the internal affairs of countries and to call for respect for any choice made by the peoples in various countries. The spokesman said China hopes that the Soviet people will overcome difficulties and solve their own problems themselves.

EC Efforts for Refugee Repatriation

BK2008100791 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 16 Aug 91

[Thanh Hai's Essay Carried in International Topic Program]

[Text] According to information released in May 1991, there are about 120,000 Vietnamese boat people detained in refugee camps in Malaysia, Thailand, the Philippines, Indonesia, Hong Kong, etc.

These people left their homeland because of many different reasons, but they all share the same illusion of a better life overseas. However, the reality that these people are experiencing has made them realize the real facts and many of them want to go back to their country.

With a humanitarian and tolerant policy, and with the assistance of the UN High Commission for Refugees [UNHCR] and some of the June 1989 Geneva Convention signatories, since March 1989 the Vietnamese Government has received more than 7,500 voluntary returnees, including more than 1,000 people from southern provinces.

The Vietnamese Government has created all necessary conditions to reassimilate these people into society. Mr. (Ronald Rogen), a UNHCR official working with the Vietnamese Government for the repatriation of the Vietnamese migrants, commented on the life of the returnees as follows:

While meeting and questioning about 500 families of the Vietnamese voluntary returnees, I did not see any circumstances of oppression or discrimination against them. No families coming back from camps in Hong Kong and Southeast Asia encountered any difficulties in reassimilating into society. No family complained about the treatment of the Vietnamese Government and its local governments. The returnees were allowed to get back to their old jobs and their children were readmitted to their old schools.

Based on those facts, and with their will to assist Vietnam to help the returnees, the EC instigated from November 1990, right after their normalization of relations with Vietnam, an international program to help with the repatriation and assimilation of the Vietnamese boat people from the refugee camps.

The program is to provide money to create jobs for the voluntary returnees and to transport them from the Southeast Asian refugee camps to Vietnam. The program also provides them with medical care and vocational training.

Mr. (Tentrim), director of the program, said that the EC had agreed to provide an aid of 10 million ECU [European Community Units], equal to U.S.$13 million, to implement the first stage of the program for six months, starting from February 1991. After that, the EC will continue with the program for the next two and a half years.

Initially, the three localities Quang Ninh, Haiphong, and Ho Chi Minh City, which will receive most of the Vietnamese returnees, are to have about U.S.$13 million.

Mr. Tentrim also said that the EC international program aims at repatriating and quickly assimilating the Vietnamese returnees from foreign refugee camps.

In the first six month, the program fund will be used to repatriate and create 20,000 jobs. A director of the program is to be appointed by the EC and its deputy director is tom be appointed by the Vietnamese Government. The international program will have representative offices in Hanoi, Haiphong, Quang Ninh, and Ho Chi Minh City. The management of the program consists of representatives from the Vietnamese Government, the EC, and UNHCR. The Vietnamese Ministry of Labor, War Invalids, and Social Welfare is authorized by the Vietnamese Government to collaborate with the program.

Experts Visit To Service GDR Agreements

BK2008155591 Hanoi VNA in English 1431 GMT 20 Aug 91

[Text] Hanoi VNA August 20—A group of experts of the Federal Republic of Germany led by Dr. F. Kroneck, head of the Department of Law of the Foreign Ministry, paid a working visit here from August 13 to 20 to service the agreements signed earlier between Vietnam and the German Democratic Republic.

The group had working sessions with delegations from concerned offices headed by Vu Khoan, vice foreign minister, Bui Ngoc Khanh, vice minister of labour, war invalids and social affairs and Pham Van Trong, vice minister of finance.

The two sides expressed the desire to continue and develop the cooperative relations between the two countries on a new basis, and agreed to hold further meetings.

The exchanges of views took place in an atmosphere of friendship and mutual understanding.

Jurgen Elias, ambassador of the FRG, took part in all these meetings.

A memorandum of understanding was signed at the end of the visit.

Course on German Economic Law Opens

BK2008074791 Hanoi VNA in English 0604 GMT 20 Aug 91

[Text] Hanoi VNA August 20—A course on Germany's economic laws was opened in Hanoi Monday by the Ministry of Justice with assistance from the research institute of Friedrich-Ebert-Stifting (F.E.S).

The course, which is expected to last six days, was attended by leading officials of various economic and legal institutions as well as judicial specialists of ministries and eco-judicial branches in the country.

Among those present at the opening ceremony were Minister of Justice Phan Hien and head of the F.R.S institute's resident office in Hanoi N.V. Hofmann.

Hungarian Ambassador Holds News Conference

BK1908164191 Hanoi VNA in English 1429 GMT 19 Aug 91

[Text] Hanoi VNA August 19—Hungarian Ambassador Oszkar Szurovszky called a press confderence here today on the occasion of the National Day of Hungary (August 20).

Phan Quang, general secretary of the Vietnam Journalists' Association, attended the meeting.

Hungarian ambassador briefed the press on the politico-economic situation in Hungary and wished for further consolidation and development of the Vietnamese-Hungarian relations.

Earlier, he had a cordial meeting with the Vietnam-Hungary Friendship Association.

Tran Dinh Hoan, minister of labour, war invalids and social affairs, and president of the association, was present among others.

Vo Van Kiet Receives Parliament Speaker

BK2008155991 Hanoi VNA in English 1435 GMT 20 Aug 91

[Text] Hanoi VNA August 20—Chairman of the Council of Ministers Vo Van Kiet today received Ramon T. Mitra, speaker of the House of Representatives of the Philippines, who is here to attend an international symposium titled "Interaction for Progress: Vietnam's New Course and ASEAN Experiences" in Hanoi.

Present at the reception was Philippine Ambassador Mariano L. Baccay.

Welcoming his guests, Chairman Vo Van Kiet said the Philippines is one of the neighbouring countries which are having fine cooperative relations with Vietnam. He expressed the wish for further development of these relations in the interests of each country and of peace and cooperation in the region. Chairman Vo Van Kiet also asked Mr. Ramon T. Mitra to convey his deepest sympathies to the victims of recent natural calamities in the Philippines.

Mr. R.T. Mitra conveyed President Aquino's congratulations to Chairman Vo Van Kiet and praised Vietnam's positive contributions to making Southeast Asia a region of friendship, cooperation and development.

Vo Van Kiet Receives Outgoing Ambassador

BK2008160391 Hanoi VNA in English 1434 GMT 20 Aug 91

[Text] Hanoi VNA August 20—Graham Alliband, ambassador of Australia today paid a farewell call on chairman of the Council of Ministers Vo Van Kiet before concluding his term of office in Vietnam.

Chairman Vo Van Kiet had a cordial conversation with the Australian ambassador.

Thai, Mexican Leaders Congratulate Vo Van Kiet

BK2008075191 Hanoi VNA in English 0558 GMT 20 Aug 91

[Text] Hanoi VNA August 20—The newly-elected chairman of the Council of Ministers of Vietnam, Vo Van Kiet has received congratulations from Thai Prime Minister Anan Panyarachun.

The Thai leader reiterated in his message the Thai Government's policy of strengthening the friendly and cooperative relations between the Governments and peoples of Vietnam and Thailand in the interests of both nations.

On this occasion, Vo Van Kiet has also received congratulations from Mexican President Carlos Salinas de Gortari.

Exchange Rate of U.S. Dollar Hits 10,000 Dong

BK2108064691 Hong Kong AFP in English 0622 GMT 21 Aug 91

[By Andrew Sherry]

[Text] Hanoi, Aug 21 (AFP)—The U.S. dollar hit the symbolic level of 10,000 dong Wednesday amid galloping inflation and a yawning Vietnamese budget deficit.

The capital's official newspaper, Hanoi Moi, reported that the market rate of the dollar was 9,970 to 10,000 dong, though state-run banks were offering just 9,200 dong for one dollar.

It took 7,000 dong to buy a dollar on the black market at the start of this year, and 9,200 one month ago. The dong's 40 percent drop since january compares with a 60 percent devalution during all of 1990.

The dollar's climb has kept pace with prices, which have risen about 40 per cent since the start of the year, according to a foreign economist here. Official estimates of inflation are slightly lower.

The dong, which is allowed to float freely in line with market rates, was worth about 4,300 to one dollar in mid-1989, before prices resumed a steep upward climb begun in 1985.

Vietnam's chronic budget deficits have been key contributors to the dong's fall, the economist said.

"There's no bond market, so they have to print more money" to fill the budget gap, he said.

Relatively low interest rates on dong savings accounts also encourage the flight to the greenback, he added.

"I keep my savings in dollars," said one young Vietnamese. "If you keep piles of dong at home, your savings might be worth half as much by the end of the month."

The Vietnamese Central Bank does not intervene in the course of the dong because its limited hard currency reserves are needed to finance imports, the economist noted.

Moscow's decision to reduce its aid and end barter trading at the start of this year has amplified the problem, since Vietnam now needs to use hard currency to buy essential products such as fertilizers previously received on concessionary terms.

Rampant smuggling across the border with China also monopolizes convertible currency.

Since the largest note in existence is 5,000 dong, or 50 U.S. cents, residents of Vietnam must carry thick wads of bills to the marketplace.

Buying a costly consumer item, such as one of the popular 70cc Honda motorbikes that retail for about 15 million dong (1,500 dollars), would take a pile of bills at least 30 centimeters (one foot) high.

"It blows my mind," said one trendy young black market money changer, commenting on the dong's fall since the start of the year.

Though the official exchange rate is generally just slightly below that available on the black market, many foreign residents of Vietnam have found that changing dollars with a discreet storefront trader is less time-consuming than dealing with a bank.

NHAN DAN Marks Revolution Anniversary

BK1908163391 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 18 Aug 91

[18 August NHAN DAN editorial: "Let's Make Steady Headway Along Our Chosen Path"]

[Text] Forty-six years have gone by since the 1945 Autumn General Uprising and the great significance of the August Revolution has been affirmed by history. The August Revolution is one of the great revolutions in this century. With a profound popular character, this revolution ushered in a new era in our country—the era of national independence and socialism.

The path of the August Revolution is the one charted by the Communist Party of Vietnam and President Ho Chi Minh, the one on which an enslaved nation rose up to overthrow the imperialist and feudal rule, do away with oppression and injustices, regain independence and freedom, and build a new abundant and happy life.

In our many long wars of resistance against colonialist and imperialist forces, our foremost tasks were to liberate the nation and defend the newly-gained independence. Our nation's history in nearly five decades after the August Revolution is a history of advancement along the socialist direction. Linking national independence with socialism is our trend of development.

The seventh party congress, with its new action program and new strategy, has affirmed that persistently pursuing the socialist path is the only correct choice. The world's revolutionary and progressive forces regard this as an assertion that commends their admiration, for anyone knows that the international socialist system is now facing a comprehensive and profound crisis. The socialist system in many countries has been eliminated, many communist parties have lost their leading role, and the global revolutionary movement is now in a downward trend. Whereas, the imperialits have become more aggressive and haughty. They are intensively attacking the remaining socialist countries and the third world in the hope of reestablishing the old order on the entire planet. Our country has also become one of the marjor targets of this enemy sabotage offensive.

It is not that the ranks of the world revolutionaries are without any severe vacillation or a loss of direction. There have emerged many erroneous tendencies, demanding a revision of Marxism-Leninism—a epochal revolutionary doctrine—from its source and criticizing not only the fruitful achievements of realistic socialism but also those values once regarded as the shining landmarks of the proletarian revolutionary era.

Amid such a situation, not only has our party affirmed socialism as our country's correct choice, but it has also eloquently pointed out that although the world history is going through a winding course, it is certain that mankind will eventually advance to socialism, for this is the law of the evolution of history.

We have affirmed the whole value of the August Revolution and the socialist-oriented path of our national revolution. We have affirmed Maxism-Leninism and Ho Chi Minh thoughts as the ideological foundation and also the beacon for our activities. We have also affirmed the Communist Party of Vietnam as a force that leads our nation and our society.

Socialism chosen by the party is, of course, not the stereotyped socialism but rather a socialism that, with fundamental standards, is built according to the guidelines and the action program set forth at the seventh party congress.

Our renovation undertaking will continue to be comprehensively implemented with the aim of democraticizing social life along the socialist direction, building a market-oriented economy under state control, and exercising an open-door foreign policy as Vietnam wishes to make friends with all countries in the world community.

The amended constitution, recently examined by the ninth session of the eight National Assembly before soliciting public opinion on this, has been tailored to suit the renovated line of the party. Our state, the offspring of the August Revolution, should be built in such a way as that it can reflect the determination and rights of the people and can represent the people. The state should have enough power and ability to enact laws and organize and manage all aspects of the social life by law. The state organizational system should be revised, the administration apparatus should be renovated, and various judicial organs should be strengthened if they are to effectively implement their state management functions.

The state should maintain its constant and close relations with the people, should be placed under the people's supervision, and should have a system and measures to control, prevent, and punish the bad practices of bureaucracy, corruption, malfeasance in office, irresponsible actions, and violations of the people's democratic rights. Our state exercises its unified control over the three branches—legislative, executive, and judicial—with a clear-cut definition of responsibility over these three branches.

The August Revolution tradition has always enlivened and rekinded the undomitable spirit, the living impetus, and creativity among all of us. With this tradion, our people will make steady headway along our chosen path. At present, a major political drive is being launched nationwide in order to link efforts to seek to understand the seventh party congress resolution with efforts to implement this resolution. This is to carry out the motto: One's speech must match one's own deeds.

The party organizations at various levels will be holding their second-round party congresses. The entire people will discuss and contribute their views on the amended constitution so the National Assembly can pass it at its 10th session to be held sometime toward the end of this year.

Along with these activities, our compatriots and combatants, and all echelons and sectors should concentrate their great efforts on overcoming difficulties and obstacles in maintaining public order and security for production. Continuing to clear all obstacles in distribution and circulation, resolving welfare problems, and effectively implementing the 199[illegible] socioeconomic and state budget plans will amount to a practical celebration of the 46th anniversary of the August Revolution and the September 2 National Day.

New Economic Zone Project for Song Be Province

BK2008064191 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 13 Aug 91

[Text] The Council of Ministers chairman recently signed Decision 243-CT ratifying the investment project for building Duc Lieu new economic zone in Song Be Province.

The project involves the three villages of Nghia Trung, Dinh Hung, Doan Ket and part of Thong Nhat village of Bu Dang District, Song Be Province, which extend over an area of 35,000 hectares.

From now until the year 2,000, some 10,000 ha of this area will be planted with cashews, rubber, and rice and short-term industrial crops, and possibly strawberry and cotton.

Conference Held To Discuss Debt Settlement

BK2008064791 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 13 Aug 91

[Text] On 13 August, the central steering committee for settling debts held a conference of representatives from debt settlement committees of northern provinces to conduct a preliminary review of debt settlement over the recent past and to discuss measures to do the same in the near future.

The achievements of the first step in the first phase of the general drive to settle debts were relatively good. The second step started countrywide on 18 June with the accurate listing of debts. As of 15 July, 9,000 or more state-owned enterprises—some 65 percent of the total number of state-owned enterprises—have registered to pay their debts. More than 5,000 debt-acknowledgement cards have been established and sent out and 35 percent of them have been confirmed.

Facts show that wherever leaders of sectors and localities have properly emphasized debt settlement and correctly implemented Decision 88-CT of the Council of Ministers chairman, debt collection has progressed well. Such is the case in Long An, Phu Yen, Lai Chau, Haiphong, Vinh Phu, Ha Nam Ninh and Dong Nai Provinces, and Vung Tau-Con Dao special zone.

It is very important to implement the second step of the debt-settlement drive which is aimed at providing accurate data on the true status of debts of various sectors and localities countrywide, and at creating a reliable basis to help the state find an appropriate solution to the dragging situation of debts which is hampering economic renovation. This step, if well implemented, will also expose many cases of corruption, swindling, smuggling, and many other violations of the law. However, there are still quite a number of units which have not realized the importance of settling debts and have not paid due attention to providing proper leadership over this implementation, thus causing delay in the settlement of debts countrywide.

New Hydroelectric Power Plant for Song Be

BK2008073491 Hanoi Voice of Vietnam in English 1000 GMT 15 Aug 91

[Text] A 150 Megawatt-hydroelectric power station will be built in Thot Not, an area in Song Be Province, northeast of Ho Chi Minh city. The design and equipment will be provided by the Ministry of Energy of the Republic of Ukraine.

A contract to this effect was signed on Monday. Work will start on the project later this year.

Nong Duc Manh Visits Son La Province

BK2008070391 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 14 Aug 91

[Text] On 14 August, a delegation of Comrades Nong Duc Manh, Political Bureau member and head of the Central Committee Department of Nationalities; Hoang Duc Nghi, party Central Committee member and head of the office in charge mountainous and ethnic minority people; and Ngo The Dan, vice minister of agriculture and food industry was sent by the party Central Committee, the State Council and the Council of Ministers to Son La Province to survey damage and control the task of overcoming the consequences of flashfloods and the measures taken to solve problems of production and life for cadres and the people in the province.

The delegation worked at the party committee and people's committee of Son La Province and the party committee and people of the city of Son La. It examined those hard-hit areas and inquired about the conditions of victims.

On behalf of the party Central Committee, the State Council, and the Council of Ministers, the delegation praised the party organization and people of Son La Province for their action to overcome the consequences and stabilize the livelihood of people in hard-hit areas. It commended all sectors, localities, and international organizations for having actively provided timely relief aid, thus promptly stabilizing production and everyday life activities of the flood victims.

It acknowledged the petitions of localities for submission to the party Central Committee and the state so that measures can be taken to satisfactorily solve the outstanding problems of the party organization and people of Son La Province.

General Dang Vu Hiep Attends Literary Seminar

BK2008085991 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 15 Aug 91

[Text] The Army's literary composition campus for 1991 from the General Political Department and the Literary and Artistic Association of Thanh Hoa Province recently held a literary seminar on the theme of the People's Armed Forces in Sam Son city. Attending the seminar were some 20 writers, poets, theoreticians and commentators who represent three generations of those who have put together literary works in the Army, together with some non-army writers and more than 10 writers who are working in the Literary and Artistic Association of Thanh Hoa Province.

Senior Lieutenant General Dang Vu Hiep, deputy chief of the General Political Department, also attended and addressed the seminar. After the opening words of Lt. General Dinh Xuan Dung, a literary theoretician and commentator and deputy chief of the Training and Propaganda Department of the General Political Department, the writers expressed their views, asserting the success of literary works on the themes of the People's Armed Forces in general and of the revolutionary war in particular over the past few decades. At the same time, they focussed on their experiences in composing, the problems to be discussed jointly by the management agencies and writers, and by writers among themselves, in order to create conditions for writers to fulfil their aspirations for continually composing works on these themes and to turn out valuable ideological works of high artistic quality.

Addressing the seminar, on behalf of the head of the General Political Department, Lt. Gen. Dang Vu Hiep welcomed the efforts of writers in and out of the Army to compose good works on the themes of the People's Armed Forces and the revolutionary war. He wished that when writing on the themes of war, writers should correctly assess the real situation in order to foster the noble sentiments of the Vietnamese and people and Uncle Ho's soldiers at present and in the future. At the same time, they should write correctly and well to create literary works that are truly attractive to readers.

Army Paper Reaffirms Belief in Socialism

BK2008142591 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 12 Aug 91

[Article in 12 August QUAN DOI NHAN DAN by Professor Tran Nhan: "The Socialist Objectives Chosen by Our People Are Correct"]

[Summary] "Our party's platform has asserted that the socialist objectives chosen by President Ho Chi Minh and our party and people are but correct and that our entire people are determined to pursue these objectives until the end the path. In its first platform adopted in 1930, our party clearly defined that it is the objective of the Vietnamese revolution to complete the people's democratic revolution and advance to socialism by bypassing the capitalist development stage."

With the victory in early 1975, we have basically completed the two strategic tasks of the people's democratic revolution. Our people then had but two options to choose, namely either the socialist path or the capitalist path. We definitely rejected the capitalist path, knowing that this would only lead to oppression, exploitation, and injustice.

Under the party's leadership, our people have relentlessly struggled for more than half a century now. Therefore, we are resolved not to follow a path that runs counter to the objectives we have chosen from the very outset. At that important turning point in 1975, our party made a clear-sighted strategic decision by advancing the entire country to socialism.

"We cannot opt for the democratic socialist path, either. The current trend of development of democratic socialism and democratic socialist thinking are of a reformist and utopian nature." The reason is because "realities in those countries that have opted for this path indicate that to establish a world order and a society based on justice, democracy, and humanity without breaking away from the order established by capitalism is but an illusion." The developments in a number of East European countries last year show that not only has the democratic socialist path failed to bring about actual changes but it has also led to a deadlocked situation.

"We accept neither the old socialist pattern nor the democratic socialist model based on reformist and utopian thinking. We also do not maintain the concept of using the people's democratic revolution to develop the productive forces and create the necessary economic conditions for the transition to socialism." Instead of going back to the people's democratic revolution to create the necessary economic conditions for the transition to socialism, we should make every effort to create those necessary conditions during the period of transition to socialism. For more than 15 years now, we have resolutely made efforts to create such conditions and will have to exert greater efforts to reach our goals.

"It is necessary to realize the fact that there is no definite boundary between the people's democratic revolution and the period of transition to socialism." In other words, during the period of transition, we should continue to settle those problems that we were unable to resolve during the people's democratic revolution due to countless difficulties and hardships caused by the war.

Given our country's very low starting point, the fact that the administration belongs to the people has created a decisive factor for shifting from the people's democratic revolution to the socialist revolution. In the past, we made a fundamental mistake by trying to advance directly to socialism without taking into consideration the characteristics of our productive forces, which were then poorly organized and developed. We did pay a high price for our subjectivism and haste. Nevertheless, we should bear in mind that we will have to pay an even higher price if we move from one extreme to another in an effort to create the necessary economic conditions for the period of transition.

Therefore, we definitely chose to advance to socialism by bypassing the capitalist development stage. This is consistent with the law of evolution. Even though socialism has just undergone an unprecedentedly serious crisis, it certainly will develop its strength step by step before winning final victory.

"As far as our country is concerned, we have necessary premises and conditions for advancing to socialism. We have the leadership of a Marxist-Leninist party that has been forged by an arduous struggle, a people's administration that has constantly been consolidated, and a broad national unity front based on the firm prop created by the peasant-worker-intelligentsia alliance. The geographical conditions in our country are favorable for exchanging relations with foreign countries. Our country is rich in natural resources and manpower. We have built a number of preliminary yet very important material and technical bases. Our people are hardworking, intelligent, and creative. The scientific and technological revolution has developed by leaps and bounds, has internationalized the world economy, and has constantly broadened external economic relations, thus opening up great opportunities and great challenges for all nations. The present times have formed and promoted broad international cooperation among the various revolutionary and progressive forces."

"The above-mentioned factors have created favorable conditions for us to combine our national strength with the strength of the times in order to advance to socialism, promptly overcome poverty and backwardness, and turn our country into a prosperous and powerful nation."

"Through the stormy events and temporary setbacks of socialism in the late 1980's as well as the actual developments in a number of East European countries, our people and other peoples in the socialist community, and all those showing concern for the fate of socialism have drawn a hard yet useful lesson which can be summed up as follows: Because only socialism can help establish a superior social system, one must resolutely choose and strive for socialist objectives."

Australia

Hawke Supports Yeltsin; Urges United Oppostion

BK2108070691 Melbourne Radio Australia in English 0500 GMT 21 Aug 91

[Text] Australia has expressed its support to the leader of the Russian Federation, Boris Yeltsin, and condemned the use of force by Soviet authorities to suppress the country's protest movement. The Australian prime minister, Bob Hawke, says it is important that the international community send a united message to the Soviet Union making clear that it opposed the overthrow of President Mikhail Gorbachev.

Mr. Hawke described those who seized power in the Soviet Union as a bunch of antediluvians who were trying to turn back the clock.

[Begin Hawke recording] It is quite clear that there is a great deal of desertions in the armed forces, and there is no assurance whatsoever that the coup group is able to count upon the solid support of the armed forces. Under these circumstances it is very important that the world should say very strongly to them, and I take this opportunity as prime minister of Australia, of saying that it is intolerable situation if those who have deposed President Gorbachev should use force now to attempt to impose their will. We congratulate Boris Yeltsin for the principled and strong stand he has taken. And those who have seized the power or have attempted to seize power and are attempting to consolidate it should understand that it is a futile exercise, that the world will simply not accept what they are doing. [End recording].

Mr. Hawke says the Australian Government is seeking information on the whereabouts of Mikhail Gorbachev but warned there would be total revulsion around the world if he was harmed in any way.

National Budget in Deficit 1st Time in 5 Years

BK2008101691 Melbourne Radio Australia in English 0800 GMT 20 Aug 91

[Text] Australia's budget deficit this financial year is projected to be $4,700 million. It is the first time the national budget has been in deficit for five years. Presenting the budget to parliament the treasurer, Mr. Kerin, said the government wanted a substantial cushion to counter Australia's economic downturn.

Graeme Dobell reports from Canberra that Mr. Kerin said there were tentative signs of a slow recovery from Australia's recession.

New Zealand

Minister Seeks Guarantee of Gorbachev Safety

BK2008045091 Hong Kong AFP in English 0439 GMT 20 Aug 91

[Text] Wellington, Aug 20 (AFP)—Foreign Minister Don McKinnon Tuesday sought an assurance from the Soviet Union about the safety of deposed Soviet President Mikhail Gorbachev.

In a statement issued after a meeting with Soviet Ambassador Yuri Sokolov, McKinnon said he also asked that the personal security of Russian Federation President Boris Yeltsin be guaranteed.

He told reporters that "one could be extraordinarily pessimistic, given what we know at the present time."

McKinnon said the government was concerned about the removal of Gorbachev by unconstitutional means and he asked Sokolov to convey to the authorities in Moscow the government's hope that there would be an early return to constitutional procedures.

"I said New Zealand hoped that the Soviet leadership, and in particular the armed forces, would act with restraint, and refrain from any action likely to give rise to disorder or violence," he said.

Sokolov said he told Mckinnon that Soviet foreign policy would not change and that the Soviet Union would respect all international obligations.

Papua New Guinea

Curfew Extended for South Pacific Games

BK2008075991 Melbourne Radio Australia in English 0500 GMT 20 Aug 91

[Text] Curfews in the Papua New Guinea [PNG] cities of Port Moresby and Lae which were due to end tonight have been extended. The cities will be the venues for the South Pacific Games next month. The government says the curfews will continue during the games so as to ensure the period is trouble free. The curfew hours remain from 10:00 PM to 5:00 AM. The curfews were imposed in a bid to halt serious nighttime crime and violence in Port Moresby and Lae.

In the latest incident, PNG police says they have shot and captured a notorious gang leader in Port Moresby. The capture came after police fought with up to 10 gang members wielding iron bars and knives after the gang held up a family in their home and stabbed one person.